



Rep. Frank J. Mautino

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1 AMENDMENT TO SENATE BILL 1912

2 AMENDMENT NO. _____. Amend Senate Bill 1912, AS AMENDED,
3 by replacing everything after the enacting clause with the
4 following:

5 "ARTICLE 1.

6 Section 1-1. Short title. This Act may be cited as the
7 Emergency Budget Implementation Act of Fiscal Year 2010.

8 Section 1-5. Legislative intent. The General Assembly
9 hereby finds and declares that the State is confronted with an
10 unprecedented fiscal crisis. This Act is to be liberally
11 construed and interpreted in a manner that allows the State to
12 address the fiscal crisis for the fiscal year ending June 30,
13 2010.

14 Section 1-10. Designation of contingency reserves. The

1 Governor may designate amounts to be set aside as a contingency
2 reserve up to \$1,100,000,000 from the amounts appropriated from
3 the General Revenue Fund for State fiscal year 2010 to the
4 executive branch of State government, including agencies,
5 authorities, boards, commissions, and departments, except
6 public universities, the community college system, the
7 Illinois Student Assistance Commission, the Board of Higher
8 Education, and the State Board of Education and all agencies,
9 authorities, boards, commissions, and departments under the
10 jurisdiction of the Attorney General, Secretary of State,
11 Comptroller, or Treasurer.

12 Section 1-15. Transfers, obligations, encumbrances,
13 expenditures, or other commitments. The amounts placed in
14 contingency reserve shall not be transferred, obligated,
15 encumbered, expended, or otherwise committed during fiscal
16 year 2010 unless the State, by an Act of the 96th General
17 Assembly, generates incremental revenues sufficient to support
18 such transfers, obligations, encumbrances, expenditures, or
19 other commitments.

20 Section 1-20. Authority to make reductions.
21 Notwithstanding any other Act to the contrary, each State
22 agency that is subject to contingency reserves under Section
23 1-10 is authorized to promulgate emergency rules pursuant to
24 subsection (n) of Section 5-45 of the Illinois Administrative

1 Procedure Act to limit, reduce, or adjust services, payment
2 rates, expenditures, transfers of funds, and eligibility
3 criteria as necessary to implement the fiscal year 2010 budget
4 and any contingency reserves designated by the Governor, to the
5 extent permitted by federal law. Any such adjustment,
6 reduction, or limitation shall expire on July 1, 2010. Nothing
7 in this Section shall require rulemaking if the limitation,
8 reduction, or adjustment would otherwise be within the
9 authority of the agency without rulemaking.

10 Section 1-25. Delegation of appropriations.

11 (a) Notwithstanding any other Act to the contrary, if and
12 only if Senate Bill 1216 of the 96th General Assembly becomes
13 law, then the Office of the Governor is authorized to delegate,
14 through written notice to the Comptroller, all or a portion of
15 the appropriations included in Sections 5 and 10 of Article 77
16 of Senate Bill 1216 to any State agency, board, or commission.
17 All amounts so delegated are limited to the purposes for which
18 those moneys were appropriated in those Sections and shall be
19 expended in accordance with all relevant laws, administrative
20 rules, and audit standards and obligations that would apply had
21 the amounts been appropriated directly to the agency, board, or
22 commission for that purpose.

23 (b) This Section is repealed on June 30, 2010.

1 Section 3-1. Short title. This Article may be cited as the
2 Public Accountability and Performance System Act.

3 Section 3-5. Findings. The legislature finds that State
4 agencies must continuously improve accountability and
5 performance reporting concerning public programs. State
6 agencies must improve their management of public programs in
7 order to provide citizens with the most efficient and effective
8 programs.

9 Section 3-10. Definitions. In this Article:

10 "State agency" has the same meaning as defined in Section
11 1-7 of the Illinois State Auditing Act.

12 "Quality management, accountability, and performance
13 system" means a nationally recognized integrated,
14 interdisciplinary system of measures, tools, and reports used
15 to improve the performance of a work unit or organization.

16 Section 3-15. Performance system; requirements.

17 (a) State agencies may develop and implement a quality
18 management, accountability, and performance system to improve
19 the public services they provide. A quality management,
20 accountability, and performance system shall:

21 (1) Use strategic business planning to establish
22 goals, objectives, and activities consistent with the

1 priorities of government.

2 (2) Engage stakeholders and customers in establishing
3 service requirements and improving service delivery
4 systems.

5 (3) Include clear and relevant measures for each
6 activity performed by the agency.

7 (4) Include performance goals for employees.

8 (5) Provide clear standards to evaluate the
9 effectiveness of agency programs and activities.

10 (6) Allocate resources based on strategies to improve
11 performance.

12 (b) A participating State agency shall conduct a yearly
13 assessment of its quality management, accountability, and
14 performance system.

15 (c) If the chief executive officer or any member of the
16 governing board or authority of a participating State agency is
17 appointed by the Governor, then the participating State agency
18 shall report to the Governor on agency performance at least
19 quarterly. The reports shall be posted on the website of the
20 agency and the Governor.

21 Section 3-20. Independent assessment. A participating
22 State agency may apply to a qualified organization for an
23 independent assessment of its quality management,
24 accountability, and performance system.

1 ARTICLE 5. AMENDATORY PROVISIONS

2 Section 5-5. The Illinois Administrative Procedure Act is
3 amended by changing Section 5-45 as follows:

4 (5 ILCS 100/5-45) (from Ch. 127, par. 1005-45)

5 Sec. 5-45. Emergency rulemaking.

6 (a) "Emergency" means the existence of any situation that
7 any agency finds reasonably constitutes a threat to the public
8 interest, safety, or welfare.

9 (b) If any agency finds that an emergency exists that
10 requires adoption of a rule upon fewer days than is required by
11 Section 5-40 and states in writing its reasons for that
12 finding, the agency may adopt an emergency rule without prior
13 notice or hearing upon filing a notice of emergency rulemaking
14 with the Secretary of State under Section 5-70. The notice
15 shall include the text of the emergency rule and shall be
16 published in the Illinois Register. Consent orders or other
17 court orders adopting settlements negotiated by an agency may
18 be adopted under this Section. Subject to applicable
19 constitutional or statutory provisions, an emergency rule
20 becomes effective immediately upon filing under Section 5-65 or
21 at a stated date less than 10 days thereafter. The agency's
22 finding and a statement of the specific reasons for the finding
23 shall be filed with the rule. The agency shall take reasonable
24 and appropriate measures to make emergency rules known to the

1 persons who may be affected by them.

2 (c) An emergency rule may be effective for a period of not
3 longer than 150 days, but the agency's authority to adopt an
4 identical rule under Section 5-40 is not precluded. No
5 emergency rule may be adopted more than once in any 24 month
6 period, except that this limitation on the number of emergency
7 rules that may be adopted in a 24 month period does not apply
8 to (i) emergency rules that make additions to and deletions
9 from the Drug Manual under Section 5-5.16 of the Illinois
10 Public Aid Code or the generic drug formulary under Section
11 3.14 of the Illinois Food, Drug and Cosmetic Act, (ii)
12 emergency rules adopted by the Pollution Control Board before
13 July 1, 1997 to implement portions of the Livestock Management
14 Facilities Act, ~~or~~ (iii) emergency rules adopted by the
15 Illinois Department of Public Health under subsections (a)
16 through (i) of Section 2 of the Department of Public Health Act
17 when necessary to protect the public's health, or (iv)
18 emergency rules adopted pursuant to subsection (n) of this
19 Section. Two or more emergency rules having substantially the
20 same purpose and effect shall be deemed to be a single rule for
21 purposes of this Section.

22 (d) In order to provide for the expeditious and timely
23 implementation of the State's fiscal year 1999 budget,
24 emergency rules to implement any provision of Public Act 90-587
25 or 90-588 or any other budget initiative for fiscal year 1999
26 may be adopted in accordance with this Section by the agency

1 charged with administering that provision or initiative,
2 except that the 24-month limitation on the adoption of
3 emergency rules and the provisions of Sections 5-115 and 5-125
4 do not apply to rules adopted under this subsection (d). The
5 adoption of emergency rules authorized by this subsection (d)
6 shall be deemed to be necessary for the public interest,
7 safety, and welfare.

8 (e) In order to provide for the expeditious and timely
9 implementation of the State's fiscal year 2000 budget,
10 emergency rules to implement any provision of this amendatory
11 Act of the 91st General Assembly or any other budget initiative
12 for fiscal year 2000 may be adopted in accordance with this
13 Section by the agency charged with administering that provision
14 or initiative, except that the 24-month limitation on the
15 adoption of emergency rules and the provisions of Sections
16 5-115 and 5-125 do not apply to rules adopted under this
17 subsection (e). The adoption of emergency rules authorized by
18 this subsection (e) shall be deemed to be necessary for the
19 public interest, safety, and welfare.

20 (f) In order to provide for the expeditious and timely
21 implementation of the State's fiscal year 2001 budget,
22 emergency rules to implement any provision of this amendatory
23 Act of the 91st General Assembly or any other budget initiative
24 for fiscal year 2001 may be adopted in accordance with this
25 Section by the agency charged with administering that provision
26 or initiative, except that the 24-month limitation on the

1 adoption of emergency rules and the provisions of Sections
2 5-115 and 5-125 do not apply to rules adopted under this
3 subsection (f). The adoption of emergency rules authorized by
4 this subsection (f) shall be deemed to be necessary for the
5 public interest, safety, and welfare.

6 (g) In order to provide for the expeditious and timely
7 implementation of the State's fiscal year 2002 budget,
8 emergency rules to implement any provision of this amendatory
9 Act of the 92nd General Assembly or any other budget initiative
10 for fiscal year 2002 may be adopted in accordance with this
11 Section by the agency charged with administering that provision
12 or initiative, except that the 24-month limitation on the
13 adoption of emergency rules and the provisions of Sections
14 5-115 and 5-125 do not apply to rules adopted under this
15 subsection (g). The adoption of emergency rules authorized by
16 this subsection (g) shall be deemed to be necessary for the
17 public interest, safety, and welfare.

18 (h) In order to provide for the expeditious and timely
19 implementation of the State's fiscal year 2003 budget,
20 emergency rules to implement any provision of this amendatory
21 Act of the 92nd General Assembly or any other budget initiative
22 for fiscal year 2003 may be adopted in accordance with this
23 Section by the agency charged with administering that provision
24 or initiative, except that the 24-month limitation on the
25 adoption of emergency rules and the provisions of Sections
26 5-115 and 5-125 do not apply to rules adopted under this

1 subsection (h). The adoption of emergency rules authorized by
2 this subsection (h) shall be deemed to be necessary for the
3 public interest, safety, and welfare.

4 (i) In order to provide for the expeditious and timely
5 implementation of the State's fiscal year 2004 budget,
6 emergency rules to implement any provision of this amendatory
7 Act of the 93rd General Assembly or any other budget initiative
8 for fiscal year 2004 may be adopted in accordance with this
9 Section by the agency charged with administering that provision
10 or initiative, except that the 24-month limitation on the
11 adoption of emergency rules and the provisions of Sections
12 5-115 and 5-125 do not apply to rules adopted under this
13 subsection (i). The adoption of emergency rules authorized by
14 this subsection (i) shall be deemed to be necessary for the
15 public interest, safety, and welfare.

16 (j) In order to provide for the expeditious and timely
17 implementation of the provisions of the State's fiscal year
18 2005 budget as provided under the Fiscal Year 2005 Budget
19 Implementation (Human Services) Act, emergency rules to
20 implement any provision of the Fiscal Year 2005 Budget
21 Implementation (Human Services) Act may be adopted in
22 accordance with this Section by the agency charged with
23 administering that provision, except that the 24-month
24 limitation on the adoption of emergency rules and the
25 provisions of Sections 5-115 and 5-125 do not apply to rules
26 adopted under this subsection (j). The Department of Public Aid

1 may also adopt rules under this subsection (j) necessary to
2 administer the Illinois Public Aid Code and the Children's
3 Health Insurance Program Act. The adoption of emergency rules
4 authorized by this subsection (j) shall be deemed to be
5 necessary for the public interest, safety, and welfare.

6 (k) In order to provide for the expeditious and timely
7 implementation of the provisions of the State's fiscal year
8 2006 budget, emergency rules to implement any provision of this
9 amendatory Act of the 94th General Assembly or any other budget
10 initiative for fiscal year 2006 may be adopted in accordance
11 with this Section by the agency charged with administering that
12 provision or initiative, except that the 24-month limitation on
13 the adoption of emergency rules and the provisions of Sections
14 5-115 and 5-125 do not apply to rules adopted under this
15 subsection (k). The Department of Healthcare and Family
16 Services may also adopt rules under this subsection (k)
17 necessary to administer the Illinois Public Aid Code, the
18 Senior Citizens and Disabled Persons Property Tax Relief and
19 Pharmaceutical Assistance Act, the Senior Citizens and
20 Disabled Persons Prescription Drug Discount Program Act (now
21 the Illinois Prescription Drug Discount Program Act), and the
22 Children's Health Insurance Program Act. The adoption of
23 emergency rules authorized by this subsection (k) shall be
24 deemed to be necessary for the public interest, safety, and
25 welfare.

26 (l) In order to provide for the expeditious and timely

1 implementation of the provisions of the State's fiscal year
2 2007 budget, the Department of Healthcare and Family Services
3 may adopt emergency rules during fiscal year 2007, including
4 rules effective July 1, 2007, in accordance with this
5 subsection to the extent necessary to administer the
6 Department's responsibilities with respect to amendments to
7 the State plans and Illinois waivers approved by the federal
8 Centers for Medicare and Medicaid Services necessitated by the
9 requirements of Title XIX and Title XXI of the federal Social
10 Security Act. The adoption of emergency rules authorized by
11 this subsection (l) shall be deemed to be necessary for the
12 public interest, safety, and welfare.

13 (m) In order to provide for the expeditious and timely
14 implementation of the provisions of the State's fiscal year
15 2008 budget, the Department of Healthcare and Family Services
16 may adopt emergency rules during fiscal year 2008, including
17 rules effective July 1, 2008, in accordance with this
18 subsection to the extent necessary to administer the
19 Department's responsibilities with respect to amendments to
20 the State plans and Illinois waivers approved by the federal
21 Centers for Medicare and Medicaid Services necessitated by the
22 requirements of Title XIX and Title XXI of the federal Social
23 Security Act. The adoption of emergency rules authorized by
24 this subsection (m) shall be deemed to be necessary for the
25 public interest, safety, and welfare.

26 (n) In order to provide for the expeditious and timely

1 implementation of the provisions of the State's fiscal year
2 2010 budget, emergency rules to implement any provision of this
3 amendatory Act of the 96th General Assembly or any other budget
4 initiative authorized by the 96th General Assembly for fiscal
5 year 2010 may be adopted in accordance with this Section by the
6 agency charged with administering that provision or
7 initiative. The adoption of emergency rules authorized by this
8 subsection (n) shall be deemed to be necessary for the public
9 interest, safety, and welfare. The rulemaking authority
10 granted in this subsection (n) shall apply only to rules
11 promulgated during Fiscal Year 2010.

12 (Source: P.A. 94-48, eff. 7-1-05; 94-838, eff. 6-6-06; 95-12,
13 eff. 7-2-07; 95-331, eff. 8-21-07.)

14 Section 5-15. The Data Security on State Computers Act is
15 amended by changing Sections 15 and 20 and by adding Section 17
16 as follows:

17 (20 ILCS 450/15)

18 Sec. 15. Definitions. As used in this Act:

19 "Agency" means all parts, boards, and commissions of the
20 executive branch of State government, other than public
21 universities or their governing boards, including, but not
22 limited to, ~~State colleges and universities and their governing~~
23 ~~boards~~ and all departments established by the Civil
24 Administrative Code of Illinois.

1 "Disposal by sale, donation, or transfer" includes, but is
2 not limited to, the sale, donation, or transfer of surplus
3 electronic data processing equipment to other agencies,
4 schools, individuals, and not-for-profit agencies.

5 "Electronic data processing equipment" includes, but is
6 not limited to, computer (CPU) mainframes, and any form of
7 magnetic storage media.

8 "Authorized agency" means an agency authorized by the
9 Department of Central Management Services to sell or transfer
10 electronic data processing equipment under Sections 5010.1210
11 and 5010.1220 of Title 44 of the Illinois Administrative Code.

12 "Department" means the Department of Central Management
13 Services.

14 "Overwrite" means the replacement of previously stored
15 information with a pre-determined pattern of meaningless
16 information.

17 (Source: P.A. 93-306, eff. 7-23-03.)

18 (20 ILCS 450/17 new)

19 Sec. 17. Exemption from Act. This Act does not apply to the
20 legislative branch of State government, the Office of the
21 Lieutenant Governor, the Office of the Attorney General, the
22 Office of the Secretary of State, the Office of the State
23 Comptroller, or the Office of the State Treasurer.

24 (20 ILCS 450/20)

1 Sec. 20. Establishment and implementation. The Data
2 Security on State Computers Act is established to protect
3 sensitive data stored on State-owned electronic data
4 processing equipment to be (i) disposed of by sale, donation,
5 or transfer or (ii) relinquished to a successor executive
6 administration. This Act shall be administered by the
7 Department or an authorized agency. The governing board of each
8 public university in this State must implement and administer
9 the provisions of this Act with respect to State-owned
10 electronic data processing equipment utilized by the
11 university. The Department or an authorized agency shall
12 implement a policy to mandate that all hard drives of surplus
13 electronic data processing equipment be cleared of all data and
14 software before being prepared for sale, donation, or transfer
15 by (i) overwriting the previously stored data on a drive or a
16 disk at least 10 times and (ii) certifying in writing that the
17 overwriting process has been completed by providing the
18 following information: (1) the serial number of the computer or
19 other surplus electronic data processing equipment; (2) the
20 name of the overwriting software used; and (3) the name, date,
21 and signature of the person performing the overwriting process.
22 The head of each State agency shall establish a system for the
23 protection and preservation of State data on State-owned
24 electronic data processing equipment necessary for the
25 continuity of government functions upon it being relinquished
26 to a successor executive administration.

1 For purposes of this Act and any other State directive
2 requiring the clearing of data and software from State-owned
3 electronic data processing equipment prior to sale, donation,
4 or transfer by the General Assembly or a public university in
5 this State, the General Assembly or the governing board of the
6 university shall have and maintain responsibility for the
7 implementation and administration of the requirements for
8 clearing State-owned electronic data processing equipment
9 utilized by the General Assembly or the university.

10 (Source: P.A. 93-306, eff. 7-23-03.)

11 Section 5-23. The Department of Natural Resources
12 (Conservation) Law of the Civil Administrative Code of Illinois
13 is amended by changing Section 805-125 as follows:

14 (20 ILCS 805/805-125) (was 20 ILCS 805/63b1)

15 Sec. 805-125. Agreements with federal agencies. The
16 Department has the power and authority to enter into agreements
17 with appropriate federal agencies in order to better effect
18 cooperative undertakings in the conservation, preservation,
19 distribution, and propagation of fish, mussels, frogs,
20 turtles, game, wild animals, wild fowls, birds, trees, plants,
21 and forests. The Department's agreements with the United States
22 government may include general indemnification provisions.

23 (Source: P.A. 91-239, eff. 1-1-00.)

1 Section 5-25. The Department of Professional Regulation
2 Law of the Civil Administrative Code of Illinois is amended by
3 changing Section 2105-300 as follows:

4 (20 ILCS 2105/2105-300) (was 20 ILCS 2105/61e)

5 Sec. 2105-300. Professions Indirect Cost Fund;
6 allocations; analyses.

7 (a) Appropriations for the direct and allocable indirect
8 costs of licensing and regulating each regulated profession,
9 trade, occupation, or industry are intended to be payable from
10 the fees and fines that are assessed and collected from that
11 profession, trade, occupation, or industry, to the extent that
12 those fees and fines are sufficient. In any fiscal year in
13 which the fees and fines generated by a specific profession,
14 trade, occupation, or industry are insufficient to finance the
15 necessary direct and allocable indirect costs of licensing and
16 regulating that profession, trade, occupation, or industry,
17 the remainder of those costs shall be financed from
18 appropriations payable from revenue sources other than fees and
19 fines. The direct and allocable indirect costs of the
20 Department identified in its cost allocation plans that are not
21 attributable to the licensing and regulation of a specific
22 profession, trade, or occupation, or industry or group of
23 professions, trades, occupations, or industries shall be
24 financed from appropriations from revenue sources other than
25 fees and fines.

1 (b) The Professions Indirect Cost Fund is hereby created as
2 a special fund in the State Treasury. Except as provided in
3 subsection (e), the Fund may receive transfers of moneys
4 authorized by the Department from the cash balances in special
5 funds that receive revenues from the fees and fines associated
6 with the licensing of regulated professions, trades,
7 occupations, and industries by the Department. For purposes of
8 this Section only, until June 30, 2010, the Fund may also
9 receive transfers of moneys authorized by the Department from
10 the cash balances in special funds that receive revenues from
11 the fees and fines associated with the licensing of regulated
12 professions, trades, occupations, and industries by the
13 Department of Insurance. Moneys in the Fund shall be invested
14 and earnings on the investments shall be retained in the Fund.
15 Subject to appropriation, the Department shall use moneys in
16 the Fund to pay the ordinary and necessary allocable indirect
17 expenses associated with each of the regulated professions,
18 trades, occupations, and industries.

19 (c) Before the beginning of each fiscal year, the
20 Department shall prepare a cost allocation analysis to be used
21 in establishing the necessary appropriation levels for each
22 cost purpose and revenue source. At the conclusion of each
23 fiscal year, the Department shall prepare a cost allocation
24 analysis reflecting the extent of the variation between how the
25 costs were actually financed in that year and the planned cost
26 allocation for that year. Variations between the planned and

1 actual cost allocations for the prior fiscal year shall be
2 adjusted into the Department's planned cost allocation for the
3 next fiscal year.

4 Each cost allocation analysis shall separately identify
5 the direct and allocable indirect costs of each regulated
6 profession, trade, occupation, or industry and the costs of the
7 Department's general public health and safety purposes. The
8 analyses shall determine whether the direct and allocable
9 indirect costs of each regulated profession, trade,
10 occupation, or industry and the costs of the Department's
11 general public health and safety purposes are sufficiently
12 financed from their respective funding sources. The Department
13 shall prepare the cost allocation analyses in consultation with
14 the respective regulated professions, trades, occupations, and
15 industries and shall make copies of the analyses available to
16 them in a timely fashion. For purposes of this Section only,
17 until June 30, 2010, the Department shall include in its cost
18 allocation analysis the direct and allocable indirect costs of
19 each regulated profession, trade, occupation, or industry and
20 the costs of the general public health and safety purposes of
21 the Department of Insurance.

22 (d) Except as provided in subsection (e), the Department
23 may direct the State Comptroller and Treasurer to transfer
24 moneys from the special funds that receive fees and fines
25 associated with regulated professions, trades, occupations,
26 and industries into the Professions Indirect Cost Fund in

1 accordance with the Department's cost allocation analysis plan
2 for the applicable fiscal year. For a given fiscal year, the
3 Department shall not direct the transfer of moneys under this
4 subsection from a special fund associated with a specific
5 regulated profession, trade, occupation, or industry (or group
6 of professions, trades, occupations, or industries) in an
7 amount exceeding the allocable indirect costs associated with
8 that profession, trade, occupation, or industry (or group of
9 professions, trades, occupations, or industries) as provided
10 in the cost allocation analysis for that fiscal year and
11 adjusted for allocation variations from the prior fiscal year.
12 No direct costs identified in the cost allocation plan shall be
13 used as a basis for transfers into the Professions Indirect
14 Cost Fund or for expenditures from the Fund.

15 (e) No transfer may be made to the Professions Indirect
16 Cost Fund under this Section from the Public Pension Regulation
17 Fund.

18 (Source: P.A. 94-91, eff. 7-1-05; 95-950, eff. 8-29-08.)

19 Section 5-26. The General Assembly Compensation Act is
20 amended by adding Section 1.5 as follows:

21 (25 ILCS 115/1.5 new)

22 Sec. 1.5. Fiscal year 2010 compensation. During the fiscal
23 year beginning on July 1, 2009, every member of the General
24 Assembly is required to forfeit 12 days of compensation. The

1 State Comptroller shall deduct the equivalent of 1/261 of the
2 annual compensation of each member from the compensation of
3 that member in each month of the fiscal year. For purposes of
4 this Section, annual compensation includes compensation paid
5 to each member by the State for one year of service pursuant to
6 Section 1, except any payments made for mileage and allowances
7 for travel and meals. The forfeiture required by this Section
8 is not considered a change in salary and shall not impact
9 pension or other benefits provided to members of the General
10 Assembly.

11 (25 ILCS 120/3.1 rep.)

12 Section 5-26.5. If and only if Senate Bill 2090 of the 96th
13 General Assembly becomes law, then the Compensation Review Act
14 is amended by repealing Section 3.1.

15 Section 5-29. If and only if Senate Bill 1433 of the 96th
16 General Assembly becomes law, the State Finance Act is amended
17 by changing Section 8.49 as follows:

18 (30 ILCS 105/8.49)

19 Sec. 8.49. Special fund transfers.

20 (a) In order to maintain the integrity of special funds and
21 improve stability in the General Revenue Fund, the following
22 transfers are authorized from the designated funds into the
23 General Revenue Fund:

1	Food and Drug Safety Fund	\$6,800
2	Penny Severns Breast, Cervical, and	
3	Ovarian Cancer Research Fund	\$33,300
4	Transportation Regulatory Fund	\$2,122,000
5	General Professions Dedicated Fund	\$3,511,900
6	Economic Research and Information Fund	\$1,120
7	Illinois Department of Agriculture	
8	Laboratory Services Revolving Fund	\$12,825
9	Drivers Education Fund	\$2,244,000
10	Aeronautics Fund	\$25,360
11	Fire Prevention Fund	\$10,400,000
12	Rural/Downstate Health Access Fund	\$1,700
13	Mental Health Fund	\$24,560,000
14	Illinois State Pharmacy Disciplinary Fund	\$2,054,100
15	Public Utility Fund	\$960,175
16	Alzheimer's Disease Research Fund	\$112,500
17	Radiation Protection Fund	\$92,250
18	Natural Heritage Endowment Trust Fund	\$250,000
19	Firearm Owner's Notification Fund	\$256,400
20	EPA Special State Projects Trust Fund	\$3,760,000
21	Solid Waste Management Fund	\$1,200,000
22	Illinois Gaming Law Enforcement Fund	\$141,000
23	Subtitle D Management Fund	\$375,000
24	Illinois State Medical Disciplinary Fund	\$11,277,200
25	Cemetery Consumer Protection Fund	\$658,000
26	Assistance to the Homeless Fund	\$13,800

1	Accessible Electronic Information	
2	Service Fund	\$10,000
3	CDLIS/AAMVAnet Trust Fund	\$110,000
4	Comptroller's Audit Expense Revolving Fund	\$31,200
5	Community Health Center Care Fund	\$450,000
6	Safe Bottled Water Fund	\$15,000
7	Facility Licensing Fund	\$363,600
8	Hansen-Therkelsen Memorial Deaf	
9	Student College Fund	\$503,700
10	Illinois Underground Utility Facilities	
11	Damage Prevention Fund	\$29,600
12	School District Emergency Financial	
13	Assistance Fund	\$2,059,200
14	Mental Health Transportation Fund	\$859
15	Registered Certified Public Accountants'	
16	Administration and Disciplinary Fund	\$34,600
17	State Crime Laboratory Fund	\$142,880
18	Agrichemical Incident Response Trust Fund	\$80,000
19	General Assembly Computer Equipment	
20	Revolving Fund	\$101,600
21	Weights and Measures Fund	\$625,000
22	Illinois School Asbestos Abatement Fund	\$299,600
23	Injured Workers' Benefit Fund	\$3,290,560
24	Violence Prevention Fund	\$79,500
25	Professional Regulation Evidence Fund	\$5,000
26	IPTIP Administrative Trust Fund	\$500,000

1	Diabetes Research Checkoff Fund	\$8,800
2	Ticket For The Cure Fund	\$1,200,000
3	Capital Development Board Revolving Fund	\$346,000
4	Professions Indirect Cost Fund	\$2,144,500
5	State Police DUI Fund	\$166,880
6	Medicaid Fraud and Abuse Prevention Fund	\$20,000
7	Illinois Health Facilities Planning Fund	\$1,392,400
8	Emergency Public Health Fund	\$875,000
9	TOMA Consumer Protection Fund	\$50,000
10	ISAC Accounts Receivable Fund	\$24,240
11	Fair and Exposition Fund	\$1,257,920
12	Department of Labor Special State Trust Fund.....	\$409,000
13	Public Health Water Permit Fund	\$24,500
14	Nursing Dedicated and Professional Fund	\$9,988,400
15	Optometric Licensing and Disciplinary	
16	Board Fund	\$995,800
17	Water Revolving Fund	\$4,960
18	Methamphetamine Law Enforcement Fund	\$50,000
19	Long Term Care Monitor/Receiver Fund	\$1,700,000
20	Home Care Services Agency Licensure Fund	\$48,000
21	Community Water Supply Laboratory Fund	\$600,000
22	Motor Fuel and Petroleum Standards Fund	\$41,416
23	Fertilizer Control Fund	\$162,520
24	Regulatory Fund.....	\$307,824
25	Used Tire Management Fund	\$8,853,552
26	Natural Areas Acquisition Fund	\$1,000,000

1	Working Capital Revolving Fund	\$6,450,000
2	Tax Recovery Fund	\$29,680
3	Professional Services Fund	\$3,500,000
4	Treasurer's Rental Fee Fund	\$155,000
5	Public Health Laboratory Services	
6	Revolving Fund	\$450,000
7	Provider Inquiry Trust Fund	\$200,000
8	Audit Expense Fund	\$5,972,190
9	Law Enforcement Camera Grant Fund	\$2,631,840
10	Child Labor and Day and Temporary Labor	
11	Services Enforcement Fund	\$490,000
12	Lead Poisoning Screening, Prevention,	
13	and Abatement Fund	\$100,000
14	Health and Human Services Medicaid	
15	Trust Fund	\$6,920,000
16	Prisoner Review Board Vehicle and	
17	Equipment Fund	\$147,900
18	Drug Treatment Fund	\$4,400,000
19	Feed Control Fund	\$625,000
20	Tanning Facility Permit Fund	\$20,000
21	Innovations in Long-Term Care Quality	
22	Demonstration Grants Fund	\$300,000
23	Plumbing Licensure and Program Fund	\$1,585,600
24	State Treasurer's Bank Services Trust Fund	\$6,800,000
25	State Police Motor Vehicle Theft	
26	Prevention Trust Fund	\$46,500

1	Insurance Premium Tax Refund Fund	\$58,700
2	Appraisal Administration Fund	\$378,400
3	Small Business Environmental Assistance Fund	\$24,080
4	Regulatory Evaluation and Basic	
5	Enforcement Fund	\$125,000
6	Gaining Early Awareness and Readiness	
7	for Undergraduate Programs Fund	\$15,000
8	Trauma Center Fund	\$4,000,000
9	EMS Assistance Fund	\$110,000
10	State College and University Trust Fund	\$20,204
11	University Grant Fund	\$5,608
12	DCEO Projects Fund	\$1,000,000
13	Alternate Fuels Fund	\$2,000,000
14	Multiple Sclerosis Research Fund	\$27,200
15	Livestock Management Facilities Fund	\$81,920
16	Second Injury Fund	\$615,680
17	Agricultural Master Fund	\$136,984
18	High Speed Internet Services and	
19	Information Technology Fund	\$3,300,000
20	Illinois Tourism Tax Fund	\$250,000
21	Human Services Priority Capital Program Fund ..	\$7,378,400
22	Warrant Escheat Fund	\$1,394,161
23	State Asset Forfeiture Fund	\$321,600
24	Police Training Board Services Fund	\$8,000
25	Federal Asset Forfeiture Fund	\$1,760
26	Department of Corrections Reimbursement	

1	and Education Fund	\$250,000
2	Health Facility Plan Review Fund	\$1,543,600
3	Domestic Violence Abuser Services Fund	\$11,500
4	LEADS Maintenance Fund	\$166,800
5	State Offender DNA Identification	
6	System Fund.....	\$615,040
7	Illinois Historic Sites Fund	\$250,000
8	Comptroller's Administrative Fund.....	\$134,690
9	Public Pension Regulation Fund	\$1,000,000
10	Workforce, Technology, and Economic	
11	Development.....	\$2,000,000
12	Pawnbroker Regulation Fund	\$26,400
13	Renewable Energy Resources Trust Fund	\$13,408,328
14	Charter Schools Revolving Loan Fund	\$82,000
15	School Technology Revolving Loan Fund	\$1,230,000
16	Energy Efficiency Trust Fund	\$1,490,000
17	Pesticide Control Fund	\$625,000
18	Juvenile Accountability Incentive Block	
19	Grant Fund	\$10,000
20	Multiple Sclerosis Assistance Fund	\$8,000
21	Temporary Relocation Expenses Revolving	
22	Grant Fund	\$460,000
23	Partners for Conservation Fund	\$8,200,000
24	Fund For Illinois' Future	\$3,000,000
25	Wireless Carrier Reimbursement Fund	\$13,650,000
26	International Tourism Fund	\$5,043,344

1	Illinois Racing Quarterhorse Breeders Fund	\$1,448
2	Death Certificate Surcharge Fund	\$900,000
3	State Police Wireless Service	
4	Emergency Fund	\$1,329,280
5	Illinois Adoption Registry and	
6	Medical Information Exchange Fund	\$8,400
7	Auction Regulation Administration Fund	\$361,600
8	DHS State Projects Fund	\$193,900
9	Auction Recovery Fund	\$4,600
10	Motor Carrier Safety Inspection Fund	\$389,840
11	Coal Development Fund	\$320,000
12	State Off-Set Claims Fund	\$400,000
13	Illinois Student Assistance Commission	
14	Contracts and Grants Fund	\$128,850
15	DHS Private Resources Fund	\$1,000,000
16	Assisted Living and Shared Housing	
17	Regulatory Fund	\$122,400
18	State Police Whistleblower Reward	
19	and Protection Fund	\$3,900,000
20	Illinois Standardbred Breeders Fund	\$134,608
21	Post Transplant Maintenance and	
22	Retention Fund	\$85,800
23	Spinal Cord Injury Paralysis Cure	
24	Research Trust Fund	\$300,000
25	Organ Donor Awareness Fund	\$115,000
26	Community Mental Health Medicaid Trust Fund	\$1,030,900

1	Illinois Clean Water Fund	\$8,649,600
2	Tobacco Settlement Recovery Fund	\$10,000,000
3	Alternative Compliance Market Account Fund	\$9,984
4	Group Workers' Compensation Pool	
5	Insolvency Fund	\$42,800
6	Medicaid Buy-In Program Revolving Fund	\$1,000,000
7	Home Inspector Administration Fund	\$1,225,200
8	Real Estate Audit Fund	\$1,200
9	Marine Corps Scholarship Fund	\$69,000
10	Tourism Promotion Fund	\$30,000,000
11	Oil Spill Response Fund	\$4,800
12	Presidential Library and Museum	
13	Operating Fund	\$169,900
14	Nuclear Safety Emergency Preparedness Fund	\$6,000,000
15	DCEO Energy Projects Fund	\$2,176,200
16	Dram Shop Fund	\$500,000
17	Illinois State Dental Disciplinary Fund	\$187,300
18	Hazardous Waste Fund	\$800,000
19	Natural Resources Restoration Trust Fund	\$7,700
20	State Fair Promotional Activities Fund	\$1,672
21	Continuing Legal Education Trust Fund	\$10,550
22	Environmental Protection Trust Fund	\$625,000
23	Real Estate Research and Education Fund	\$1,081,000
24	Federal Moderate Rehabilitation	
25	Housing Fund	\$44,960
26	Domestic Violence Shelter and Service Fund	\$55,800

1	Snowmobile Trail Establishment Fund	\$5,300
2	Drug Traffic Prevention Fund	\$11,200
3	Traffic and Criminal Conviction	
4	Surcharge Fund	\$5,400,000
5	Design Professionals Administration	
6	and Investigation Fund	\$73,200
7	Public Health Special State Projects Fund	\$1,900,000
8	Petroleum Violation Fund	\$1,080
9	State Police Services Fund	\$7,082,080
10	Illinois Wildlife Preservation Fund	\$9,900
11	Youth Drug Abuse Prevention Fund	\$133,500
12	Insurance Producer	
13	Administration Fund	<u>\$12,170,000</u> \$13,820,000
14	Coal Technology Development Assistance Fund	\$1,856,000
15	Child Abuse Prevention Fund	\$250,000
16	Hearing Instrument Dispenser Examining	
17	and Disciplinary Fund	\$50,400
18	Low-Level Radioactive Waste Facility	
19	Development and Operation Fund	\$1,000,000
20	Environmental Protection Permit and	
21	Inspection Fund	\$755,775
22	Landfill Closure and Post-Closure Fund	\$2,480
23	Narcotics Profit Forfeiture Fund	\$86,900
24	Illinois State Podiatric Disciplinary Fund	\$200,000
25	Vehicle Inspection Fund	\$5,000,000
26	Local Tourism Fund	\$10,999,280

1	Illinois Capital Revolving Loan Fund	\$3,856,904
2	Illinois Equity Fund	\$3,520
3	Large Business Attraction Fund	\$13,560
4	International and Promotional Fund	\$42,040
5	Public Infrastructure Construction	
6	Loan Revolving Fund	\$2,811,232
7	Insurance Financial	
8	Regulation Fund	<u>\$5,881,180</u> \$7,531,180
9	TOTAL	<u>\$351,738,973</u> \$356,038,973

10 All of these transfers shall be made in equal quarterly
11 installments with the first made on July 1, 2009, or as soon
12 thereafter as practical, and with the remaining transfers to be
13 made on October 1, January 1, and April 1, or as soon
14 thereafter as practical. These transfers shall be made
15 notwithstanding any other provision of State law to the
16 contrary.

17 (b) On and after the effective date of this amendatory Act
18 of the 96th General Assembly through June 30, 2010, when any of
19 the funds listed in subsection (a) have insufficient cash from
20 which the State Comptroller may make expenditures properly
21 supported by appropriations from the fund, then the State
22 Treasurer and State Comptroller shall transfer from the General
23 Revenue Fund to the fund only such amount as is immediately
24 necessary to satisfy outstanding expenditure obligations on a
25 timely basis, subject to the provisions of the State Prompt
26 Payment Act. All or a portion of the amounts transferred from

1 the General Revenue Fund to a fund pursuant to this subsection
2 (b) from time to time may be re-transferred by the State
3 Comptroller and the State Treasurer from the receiving fund
4 into the General Revenue Fund as soon as and to the extent that
5 deposits are made into or receipts are collected by the
6 receiving fund.

7 (Source: 09600SB1433enr.)

8 Section 5-30. The State Finance Act is amended by changing
9 Sections 6z-30, 6z-64, 6z-70, 8g, 8o, 13.5, and 14.1 and by
10 adding Sections 5.719, 5.723, 6p-6, 6p-7, and 8.48 as follows:

11 (30 ILCS 105/5.719 new)

12 Sec. 5.719. American Recovery and Reinvestment Act
13 Administrative Revolving Fund.

14 (30 ILCS 105/5.723 new)

15 Sec. 5.723. Court of Claims Federal Grant Fund.

16 (30 ILCS 105/6p-6 new)

17 Sec. 6p-6. American Recovery and Reinvestment Act
18 Administrative Revolving Fund. There is created in the State
19 treasury the American Recovery and Reinvestment Act
20 Administrative Revolving Fund. Federal moneys associated with
21 the central administration of the American Recovery and
22 Reinvestment Act of 2009 may be deposited or paid into this

1 Fund. Subject to appropriation by the General Assembly, the
2 moneys in this Fund shall be used to fund central
3 administrative costs necessary and required to implement the
4 American Recovery and Reinvestment Act of 2009.

5 (30 ILCS 105/6p-7 new)

6 Sec. 6p-7. Court of Claims Federal Grant Fund. The Court of
7 Claims Federal Grant Fund is created as a special fund in the
8 State treasury. The Fund shall consist of federal Victims of
9 Crime Act grant funds awarded to the Court of Claims from the
10 U.S. Department of Justice, Office of Justice Programs, Office
11 for Victims of Crime for the payment of claims pursuant to the
12 Crime Victims Compensation Act (740 ILCS 45/). All moneys in
13 the Fund shall be used for payment of claims pursuant to the
14 Crime Victims Compensation Act (740 ILCS 45/). The General
15 Assembly may appropriate moneys from the Court of Claims
16 Federal Grant Fund to the Court of Claims for the purpose of
17 payment of claims pursuant to the Crime Victims Compensation
18 Act (740 ILCS 45/).

19 (30 ILCS 105/6z-30)

20 Sec. 6z-30. University of Illinois Hospital Services Fund.

21 (a) The University of Illinois Hospital Services Fund is
22 created as a special fund in the State Treasury. The following
23 moneys shall be deposited into the Fund:

24 (1) As soon as possible after the beginning of each

1 fiscal year (starting in fiscal year 2010 ~~1995~~), and in no
2 event later than July 30, the State Comptroller and the
3 State Treasurer shall automatically transfer \$30,000,000
4 ~~\$44,700,000~~ from the General Revenue Fund to the University
5 of Illinois Hospital Services Fund.

6 (2) All intergovernmental transfer payments to the
7 Department of Healthcare and Family Services ~~(formerly~~
8 ~~Illinois Department of Public Aid)~~ by the University of
9 Illinois made pursuant to an intergovernmental agreement
10 under subsection (b) or (c) of Section 5A-3 of the Illinois
11 Public Aid Code.

12 (3) All federal matching funds received by the
13 Department of Healthcare and Family Services (formerly
14 Illinois Department of Public Aid) as a result of
15 expenditures made by the Department that are attributable
16 to moneys that were deposited in the Fund.

17 (4) All other moneys received for the Fund from any
18 other source, including interest earned thereon.

19 (b) Moneys in the fund may be used by the Department of
20 Healthcare and Family Services ~~(formerly Illinois Department~~
21 ~~of Public Aid)~~, subject to appropriation and to an interagency
22 agreement between that Department and the Board of Trustees of
23 the University of Illinois, to reimburse the University of
24 Illinois Hospital for hospital and pharmacy services, ~~and~~
25 reimburse practitioners ~~as defined in Section 5-8 of the~~
26 ~~Illinois Public Aid Code (305 ILCS 5/5-8)~~ who are employed by

1 the University of Illinois, to reimburse other health care
2 facilities operated by the University of Illinois, and to pass
3 through to the University of Illinois federal financial
4 participation earned by the State as a result of expenditures
5 made by the University of Illinois. Hospital. The fund may also
6 be used to make monthly transfers to the General Revenue Fund
7 as provided in subsection (c).

8 (c) (Blank). The State Comptroller and State Treasurer
9 shall automatically transfer on the last day of each month
10 except June, beginning August 31, 1994, from the University of
11 Illinois Hospital Services Fund to the General Revenue Fund, an
12 amount determined and certified to the State Comptroller by the
13 Director of Healthcare and Family Services (formerly Director
14 of Public Aid), equal to the amount by which the balance in the
15 Fund exceeds the amount necessary to ensure timely payments to
16 the University of Illinois Hospital.

17 On June 30, 1995 and each June 30 thereafter, the State
18 Comptroller and State Treasurer shall automatically transfer
19 the entire balance in the University of Illinois Hospital
20 Services Fund to the General Revenue Fund.

21 (Source: P.A. 95-331, eff. 8-21-07; 95-744, eff. 7-18-08.)

22 (30 ILCS 105/6z-64)

23 Sec. 6z-64. The Workers' Compensation Revolving Fund.

24 (a) The Workers' Compensation Revolving Fund is created as
25 a revolving fund, not subject to fiscal year limitations, in

1 the State treasury. The following moneys shall be deposited
2 into the Fund:

3 (1) amounts authorized for transfer to the Fund from
4 the General Revenue Fund and other State funds (except for
5 funds classified by the Comptroller as federal trust funds
6 or State trust funds) pursuant to State law or Executive
7 Order;

8 (2) federal funds received by the Department of Central
9 Management Services (the "Department") as a result of
10 expenditures from the Fund;

11 (3) interest earned on moneys in the Fund;

12 (4) receipts or inter-fund transfers resulting from
13 billings issued by the Department to State agencies and
14 universities for the cost of workers' compensation
15 services rendered by the Department that are not
16 compensated through the specific fund transfers authorized
17 by this Section, if any;

18 (5) amounts received from a State agency or university
19 for workers' compensation payments for temporary total
20 disability, as provided in Section 405-105 of the
21 Department of Central Management Services Law of the Civil
22 Administrative Code of Illinois; and

23 (6) amounts recovered through subrogation in workers'
24 compensation and workers' occupational disease cases.

25 (b) Moneys in the Fund may be used by the Department for
26 reimbursement or payment for:

1 (1) providing workers' compensation services to State
2 agencies and State universities; or

3 (2) providing for payment of administrative and other
4 expenses incurred by the Department in providing workers'
5 compensation services.

6 (c) State agencies may direct the Comptroller to process
7 inter-fund transfers or make payment through the voucher and
8 warrant process to the Workers' Compensation Revolving Fund in
9 satisfaction of billings issued under subsection (a) of this
10 Section.

11 (d) Reconciliation. For the fiscal year beginning on July
12 1, 2004 only, the Director of Central Management Services (the
13 "Director") shall order that each State agency's payments and
14 transfers made to the Fund be reconciled with actual Fund costs
15 for workers' compensation services provided by the Department
16 and attributable to the State agency and relevant fund on no
17 less than an annual basis. The Director may require reports
18 from State agencies as deemed necessary to perform this
19 reconciliation.

20 (d-5) Notwithstanding any other provision of State law to
21 the contrary, on or after July 1, 2005 and until June 30, 2006,
22 in addition to any other transfers that may be provided for by
23 law, at the direction of and upon notification of the Director
24 of Central Management Services, the State Comptroller shall
25 direct and the State Treasurer shall transfer amounts into the
26 Workers' Compensation Revolving Fund from the designated funds

1 not exceeding the following totals:

2	Mental Health Fund	\$17,694,000
3	Statistical Services Revolving Fund	\$1,252,600
4	Department of Corrections Reimbursement	
5	and Education Fund	\$1,198,600
6	Communications Revolving Fund	\$535,400
7	Child Support Administrative Fund	\$441,900
8	Health Insurance Reserve Fund	\$238,900
9	Fire Prevention Fund	\$234,100
10	Park and Conservation Fund	\$142,000
11	Motor Fuel Tax Fund	\$132,800
12	Illinois Workers' Compensation	
13	Commission Operations Fund	\$123,900
14	State Boating Act Fund	\$112,300
15	Public Utility Fund	\$106,500
16	State Lottery Fund	\$101,300
17	Traffic and Criminal Conviction	
18	Surcharge Fund	\$88,500
19	State Surplus Property Revolving Fund	\$82,700
20	Natural Areas Acquisition Fund	\$65,600
21	Securities Audit and Enforcement Fund	\$65,200
22	Agricultural Premium Fund	\$63,400
23	Capital Development Fund	\$57,500
24	State Gaming Fund	\$54,300
25	Underground Storage Tank Fund	\$53,700
26	Illinois State Medical Disciplinary Fund	\$53,000

1	Personal Property Tax Replacement Fund	\$53,000
2	General Professions Dedicated Fund	\$51,900
3	Total	\$23,003,100

4 (d-10) Notwithstanding any other provision of State law to
5 the contrary and in addition to any other transfers that may be
6 provided for by law, on the first day of each calendar quarter
7 of the fiscal year beginning July 1, 2005, or as soon as may be
8 practical thereafter, the State Comptroller shall direct and
9 the State Treasurer shall transfer from each designated fund
10 into the Workers' Compensation Revolving Fund amounts equal to
11 one-fourth of each of the following totals:

12	General Revenue Fund	\$34,000,000
13	Road Fund	\$25,987,000
14	Total	\$59,987,000

15 (d-12) Notwithstanding any other provision of State law to
16 the contrary and in addition to any other transfers that may be
17 provided for by law, on the effective date of this amendatory
18 Act of the 94th General Assembly, or as soon as may be
19 practical thereafter, the State Comptroller shall direct and
20 the State Treasurer shall transfer from each designated fund
21 into the Workers' Compensation Revolving Fund the following
22 amounts:

23	General Revenue Fund	\$10,000,000
24	Road Fund	\$5,000,000
25	Total	\$15,000,000

26 (d-15) Notwithstanding any other provision of State law to

1 the contrary and in addition to any other transfers that may be
 2 provided for by law, on July 1, 2006, or as soon as may be
 3 practical thereafter, the State Comptroller shall direct and
 4 the State Treasurer shall transfer from each designated fund
 5 into the Workers' Compensation Revolving Fund the following
 6 amounts:

7	General Revenue Fund	\$44,028,200
8	Road Fund	\$28,084,000
9	Total	\$72,112,200

10 (d-20) Notwithstanding any other provision of State law to
 11 the contrary, on or after July 1, 2006 and until June 30, 2007,
 12 in addition to any other transfers that may be provided for by
 13 law, at the direction of and upon notification of the Director
 14 of Central Management Services, the State Comptroller shall
 15 direct and the State Treasurer shall transfer amounts into the
 16 Workers' Compensation Revolving Fund from the designated funds
 17 not exceeding the following totals:

18	Mental Health Fund	\$19,121,800
19	Statistical Services Revolving Fund	\$1,353,700
20	Department of Corrections Reimbursement	
21	and Education Fund	\$1,295,300
22	Communications Revolving Fund	\$578,600
23	Child Support Administrative Fund	\$477,600
24	Health Insurance Reserve Fund	\$258,200
25	Fire Prevention Fund	\$253,000
26	Park and Conservation Fund	\$153,500

1	Motor Fuel Tax Fund	\$143,500
2	Illinois Workers' Compensation	
3	Commission Operations Fund	\$133,900
4	State Boating Act Fund	\$121,400
5	Public Utility Fund	\$115,100
6	State Lottery Fund	\$109,500
7	Traffic and Criminal Conviction Surcharge Fund ..	\$95,700
8	State Surplus Property Revolving Fund	\$89,400
9	Natural Areas Acquisition Fund	\$70,800
10	Securities Audit and Enforcement Fund	\$70,400
11	Agricultural Premium Fund	\$68,500
12	State Gaming Fund	\$58,600
13	Underground Storage Tank Fund	\$58,000
14	Illinois State Medical Disciplinary Fund	\$57,200
15	Personal Property Tax Replacement Fund	\$57,200
16	General Professions Dedicated Fund	\$56,100
17	Total	\$24,797,000

18 (d-25) Notwithstanding any other provision of State law to
19 the contrary and in addition to any other transfers that may be
20 provided for by law, on July 1, 2009, or as soon as may be
21 practical thereafter, the State Comptroller shall direct and
22 the State Treasurer shall transfer from each designated fund
23 into the Workers' Compensation Revolving Fund the following
24 amounts:

25	<u>General Revenue Fund</u>	<u>\$55,000,000</u>
26	<u>Road Fund</u>	<u>\$34,803,000</u>

1	<u>Illinois Gaming Law Enforcement Fund</u>	\$17,800
2	<u>Subtitle D Management Fund</u>	\$14,100
3	<u>Illinois State Medical Disciplinary Fund</u>	\$26,500
4	<u>Facility Licensing Fund</u>	\$11,700
5	<u>Plugging and Restoration Fund</u>	\$9,100
6	<u>Explosives Regulatory Fund</u>	\$2,300
7	<u>Aggregate Operations Regulatory Fund</u>	\$5,000
8	<u>Coal Mining Regulatory Fund</u>	\$1,900
9	<u>Registered Certified Public Accountants'</u>	
10	<u>Administration and Disciplinary Fund</u>	\$1,500
11	<u>Weights and Measures Fund</u>	\$56,100
12	<u>Division of Corporations Registered</u>	
13	<u>Limited Liability Partnership Fund</u>	\$3,900
14	<u>Illinois School Asbestos Abatement Fund</u>	\$14,000
15	<u>Secretary of State Special License Plate Fund</u>	\$30,700
16	<u>Capital Development Board Revolving Fund</u>	\$27,000
17	<u>DCFS Children's Services Fund</u>	\$69,300
18	<u>Asbestos Abatement Fund</u>	\$17,200
19	<u>Illinois Health Facilities Planning Fund</u>	\$26,800
20	<u>Emergency Public Health Fund</u>	\$5,600
21	<u>Nursing Dedicated and Professional Fund</u>	\$10,000
22	<u>Optometric Licensing and Disciplinary</u>	
23	<u>Board Fund</u>	\$1,600
24	<u>Underground Resources Conservation</u>	
25	<u>Enforcement Fund</u>	\$11,500
26	<u>Drunk and Drugged Driving Prevention Fund</u>	\$18,200

1	<u>Long Term Care Monitor/Receiver Fund</u>	<u>\$35,400</u>
2	<u>Community Water Supply Laboratory Fund</u>	<u>\$5,600</u>
3	<u>Securities Investors Education Fund</u>	<u>\$2,000</u>
4	<u>Used Tire Management Fund</u>	<u>\$32,400</u>
5	<u>Natural Areas Acquisition Fund</u>	<u>\$101,200</u>
6	<u>Open Space Lands Acquisition</u>	
7	<u>and Development Fund</u>	<u>\$28,400</u>
8	<u>Working Capital Revolving Fund</u>	<u>\$489,100</u>
9	<u>State Garage Revolving Fund</u>	<u>\$791,900</u>
10	<u>Statistical Services Revolving Fund</u>	<u>\$3,984,700</u>
11	<u>Communications Revolving Fund</u>	<u>\$1,432,800</u>
12	<u>Facilities Management Revolving Fund</u>	<u>\$1,911,600</u>
13	<u>Professional Services Fund</u>	<u>\$483,600</u>
14	<u>Motor Vehicle Review Board Fund</u>	<u>\$15,000</u>
15	<u>Environmental Laboratory Certification Fund</u>	<u>\$3,000</u>
16	<u>Public Health Laboratory Services</u>	
17	<u>Revolving Fund</u>	<u>\$2,500</u>
18	<u>Lead Poisoning Screening, Prevention,</u>	
19	<u>and Abatement Fund</u>	<u>\$28,200</u>
20	<u>Securities Audit and Enforcement Fund</u>	<u>\$258,400</u>
21	<u>Department of Business Services</u>	
22	<u>Special Operations Fund</u>	<u>\$111,900</u>
23	<u>Feed Control Fund</u>	<u>\$20,800</u>
24	<u>Tanning Facility Permit Fund</u>	<u>\$5,400</u>
25	<u>Plumbing Licensure and Program Fund</u>	<u>\$24,400</u>
26	<u>Tax Compliance and Administration Fund</u>	<u>\$27,200</u>

1	<u>Appraisal Administration Fund</u>	<u>\$2,400</u>
2	<u>Small Business Environmental Assistance Fund</u>	<u>\$2,200</u>
3	<u>Illinois State Fair Fund</u>	<u>\$31,400</u>
4	<u>Secretary of State Special Services Fund</u>	<u>\$317,600</u>
5	<u>Department of Corrections Reimbursement</u>	
6	<u>and Education Fund</u>	<u>\$324,500</u>
7	<u>Health Facility Plan Review Fund</u>	<u>\$31,200</u>
8	<u>Illinois Historic Sites Fund</u>	<u>\$11,500</u>
9	<u>Attorney General Court Ordered and Voluntary</u>	
10	<u>Compliance Payment Projects Fund</u>	<u>\$18,500</u>
11	<u>Public Pension Regulation Fund</u>	<u>\$5,600</u>
12	<u>Illinois Charity Bureau Fund</u>	<u>\$11,400</u>
13	<u>Renewable Energy Resources Trust Fund</u>	<u>\$6,700</u>
14	<u>Energy Efficiency Trust Fund</u>	<u>\$3,600</u>
15	<u>Pesticide Control Fund</u>	<u>\$56,800</u>
16	<u>Attorney General Whistleblower Reward</u>	
17	<u>and Protection Fund</u>	<u>\$14,200</u>
18	<u>Partners for Conservation Fund</u>	<u>\$36,900</u>
19	<u>Capital Litigation Trust Fund</u>	<u>\$800</u>
20	<u>Motor Vehicle License Plate Fund</u>	<u>\$99,700</u>
21	<u>Horse Racing Fund</u>	<u>\$18,900</u>
22	<u>Death Certificate Surcharge Fund</u>	<u>\$12,800</u>
23	<u>Auction Regulation Administration Fund</u>	<u>\$500</u>
24	<u>Motor Carrier Safety Inspection Fund</u>	<u>\$55,800</u>
25	<u>Assisted Living and Shared Housing</u>	
26	<u>Regulatory Fund</u>	<u>\$900</u>

1	<u>Illinois Thoroughbred Breeders Fund</u>	\$9,200
2	<u>Illinois Clean Water Fund</u>	\$42,300
3	<u>Secretary of State DUI Administration Fund</u>	\$16,100
4	<u>Child Support Administrative Fund</u>	\$1,037,900
5	<u>Secretary of State Police Services Fund</u>	\$1,200
6	<u>Tourism Promotion Fund</u>	\$34,400
7	<u>IMSA Income Fund</u>	\$12,700
8	<u>Presidential Library and Museum Operating Fund</u> ..	\$83,000
9	<u>Dram Shop Fund</u>	\$44,500
10	<u>Illinois State Dental Disciplinary Fund</u>	\$5,700
11	<u>Cycle Rider Safety Training Fund</u>	\$8,700
12	<u>Traffic and Criminal Conviction Surcharge Fund</u> ..	\$106,100
13	<u>Design Professionals Administration</u>	
14	<u>and Investigation Fund</u>	\$4,500
15	<u>State Police Services Fund</u>	\$276,100
16	<u>Metabolic Screening and Treatment Fund</u>	\$90,800
17	<u>Insurance Producer Administration Fund</u>	\$45,600
18	<u>Coal Technology Development Assistance Fund</u>	\$11,700
19	<u>Hearing Instrument Dispenser Examining</u>	
20	<u>and Disciplinary Fund</u>	\$1,900
21	<u>Low-Level Radioactive Waste Facility</u>	
22	<u>Development and Operation Fund</u>	\$1,000
23	<u>Environmental Protection Permit and</u>	
24	<u>Inspection Fund</u>	\$66,900
25	<u>Park and Conservation Fund</u>	\$199,300
26	<u>Local Tourism Fund</u>	\$2,400

1	<u>Illinois Capital Revolving Loan Fund</u>	<u>.....</u>	<u>\$10,000</u>
2	<u>Large Business Attraction Fund</u>	<u>.....</u>	<u>\$100</u>
3	<u>Adeline Jay Geo-Karis Illinois Beach</u>		
4	<u>Marina Fund</u>	<u>.....</u>	<u>\$27,200</u>
5	<u>Public Infrastructure Construction</u>		
6	<u>Loan Revolving Fund</u>	<u>.....</u>	<u>\$1,700</u>
7	<u>Insurance Financial Regulation Fund</u>	<u>.....</u>	<u>\$69,200</u>
8	<u>Total</u>		<u>\$24,197,800</u>

9 (e) The term "workers' compensation services" means
10 services, claims expenses, and related administrative costs
11 incurred in performing the duties under Sections 405-105 and
12 405-411 of the Department of Central Management Services Law of
13 the Civil Administrative Code of Illinois.

14 (Source: P.A. 94-91, eff. 7-1-05; 94-839, eff. 6-6-06; 95-744,
15 eff. 7-18-08.)

16 (30 ILCS 105/6z-70)

17 Sec. 6z-70. The Secretary of State Identification Security
18 and Theft Prevention Fund.

19 (a) The Secretary of State Identification Security and
20 Theft Prevention Fund is created as a special fund in the State
21 treasury. The Fund shall consist of any fund transfers, grants,
22 fees, or moneys from other sources received for the purpose of
23 funding identification security and theft prevention measures.

24 (b) All moneys in the Secretary of State Identification
25 Security and Theft Prevention Fund shall be used, subject to

1 appropriation, for any costs related to implementing
2 identification security and theft prevention measures.

3 (c) Notwithstanding any other provision of State law to the
4 contrary, on or after July 1, 2007, and until June 30, 2008, in
5 addition to any other transfers that may be provided for by
6 law, at the direction of and upon notification of the Secretary
7 of State, the State Comptroller shall direct and the State
8 Treasurer shall transfer amounts into the Secretary of State
9 Identification Security and Theft Prevention Fund from the
10 designated funds not exceeding the following totals:

- 11 Lobbyist Registration Administration Fund \$100,000
- 12 Registered Limited Liability Partnership Fund \$75,000
- 13 Securities Investors Education Fund \$500,000
- 14 Securities Audit and Enforcement Fund \$5,725,000
- 15 Department of Business Services
- 16 Special Operations Fund \$3,000,000
- 17 Corporate Franchise Tax Refund Fund \$3,000,000.

18 (d) Notwithstanding any other provision of State law to the
19 contrary, on or after July 1, 2008, and until June 30, 2009, in
20 addition to any other transfers that may be provided for by
21 law, at the direction of and upon notification of the Secretary
22 of State, the State Comptroller shall direct and the State
23 Treasurer shall transfer amounts into the Secretary of State
24 Identification Security and Theft Prevention Fund from the
25 designated funds not exceeding the following totals:

- 26 Lobbyist Registration Administration Fund \$100,000

1 Registered Limited Liability Partnership Fund \$75,000
 2 Securities Investors Education Fund \$500,000
 3 Securities Audit and Enforcement Fund \$5,725,000
 4 Department of Business Services

5 Special Operations Fund \$3,000,000
 6 Corporate Franchise Tax Refund Fund \$3,000,000
 7 State Parking Facility Maintenance Fund \$100,000

8 (e) Notwithstanding any other provision of State law to the
 9 contrary, on or after July 1, 2009, and until June 30, 2010, in
 10 addition to any other transfers that may be provided for by
 11 law, at the direction of and upon notification of the Secretary
 12 of State, the State Comptroller shall direct and the State
 13 Treasurer shall transfer amounts into the Secretary of State
 14 Identification Security and Theft Prevention Fund from the
 15 designated funds not exceeding the following totals:

16 Lobbyist Registration Administration Fund \$100,000
 17 Registered Limited Liability Partnership Fund \$175,000
 18 Securities Investors Education Fund \$750,000
 19 Securities Audit and Enforcement Fund \$750,000

20 Department of Business Services
 21 Special Operations Fund \$3,000,000
 22 Corporate Franchise Tax Refund Fund \$3,000,000
 23 State Parking Facility Maintenance Fund \$100,000

24 (Source: P.A. 95-707, eff. 1-11-08; 95-744, eff. 7-18-08.)

1 Sec. 8.48. Reversal of transfers; limitation on transfers
2 from certain funds.

3 (a) Notwithstanding any State law to the contrary, on the
4 effective date of this amendatory Act of the 96th General
5 Assembly, the State Comptroller and the State Treasurer shall
6 transfer to each of the following funds any amounts transferred
7 from those funds to the FY09 Budget Relief Fund under
8 subsection (b) or (c) of Section 8.46 prior to the effective
9 date of this amendatory Act of the 96th General Assembly, as
10 well as any interest accrued thereon since the date of the
11 transfers:

12 (1) the Abandoned Mined Lands Reclamation Set Aside
13 Fund; and

14 (2) the Land Reclamation Fund.

15 On and after the effective date of this amendatory Act of
16 the 96th General Assembly, no further transfers shall be made
17 from the funds listed in items (1) and (2) of this subsection
18 to the FY09 Budget Relief Fund pursuant to subsection (b) or
19 (c) of Section 8.46.

20 (b) Notwithstanding any State law to the contrary, on the
21 effective date of this amendatory Act of the 96th General
22 Assembly, the State Comptroller and the State Treasurer shall
23 transfer to each of the following funds any interest accrued on
24 amounts transferred from those funds to the FY09 Budget Relief
25 Fund under subsection (b) or (c) of Section 8.46 since the date
26 of the transfers and prior to the effective date of this

1 amendatory Act of the 96th General Assembly:

2 (1) the Wildlife and Fish Fund;

3 (2) the Fish and Wildlife Endowment Fund;

4 (3) the State Pheasant Fund;

5 (4) the Illinois Habitat Endowment Trust Fund;

6 (5) the Illinois Habitat Fund; and

7 (6) the State Migratory Waterfowl Stamp Fund.

8 On and after the effective date of this amendatory Act of
9 the 96th General Assembly, no further transfers shall be made
10 from the funds listed in items (1) through (6) of this
11 subsection to the FY09 Budget Relief Fund pursuant to
12 subsection (b) or (c) of Section 8.46.

13 (30 ILCS 105/8g)

14 Sec. 8g. Fund transfers.

15 (a) In addition to any other transfers that may be provided
16 for by law, as soon as may be practical after the effective
17 date of this amendatory Act of the 91st General Assembly, the
18 State Comptroller shall direct and the State Treasurer shall
19 transfer the sum of \$10,000,000 from the General Revenue Fund
20 to the Motor Vehicle License Plate Fund created by Senate Bill
21 1028 of the 91st General Assembly.

22 (b) In addition to any other transfers that may be provided
23 for by law, as soon as may be practical after the effective
24 date of this amendatory Act of the 91st General Assembly, the
25 State Comptroller shall direct and the State Treasurer shall

1 transfer the sum of \$25,000,000 from the General Revenue Fund
2 to the Fund for Illinois' Future created by Senate Bill 1066 of
3 the 91st General Assembly.

4 (c) In addition to any other transfers that may be provided
5 for by law, on August 30 of each fiscal year's license period,
6 the Illinois Liquor Control Commission shall direct and the
7 State Comptroller and State Treasurer shall transfer from the
8 General Revenue Fund to the Youth Alcoholism and Substance
9 Abuse Prevention Fund an amount equal to the number of retail
10 liquor licenses issued for that fiscal year multiplied by \$50.

11 (d) The payments to programs required under subsection (d)
12 of Section 28.1 of the Horse Racing Act of 1975 shall be made,
13 pursuant to appropriation, from the special funds referred to
14 in the statutes cited in that subsection, rather than directly
15 from the General Revenue Fund.

16 Beginning January 1, 2000, on the first day of each month,
17 or as soon as may be practical thereafter, the State
18 Comptroller shall direct and the State Treasurer shall transfer
19 from the General Revenue Fund to each of the special funds from
20 which payments are to be made under Section 28.1(d) of the
21 Horse Racing Act of 1975 an amount equal to 1/12 of the annual
22 amount required for those payments from that special fund,
23 which annual amount shall not exceed the annual amount for
24 those payments from that special fund for the calendar year
25 1998. The special funds to which transfers shall be made under
26 this subsection (d) include, but are not necessarily limited

1 to, the Agricultural Premium Fund; the Metropolitan Exposition
2 Auditorium and Office Building Fund; the Fair and Exposition
3 Fund; the Standardbred Breeders Fund; the Thoroughbred
4 Breeders Fund; and the Illinois Veterans' Rehabilitation Fund.

5 (e) In addition to any other transfers that may be provided
6 for by law, as soon as may be practical after the effective
7 date of this amendatory Act of the 91st General Assembly, but
8 in no event later than June 30, 2000, the State Comptroller
9 shall direct and the State Treasurer shall transfer the sum of
10 \$15,000,000 from the General Revenue Fund to the Fund for
11 Illinois' Future.

12 (f) In addition to any other transfers that may be provided
13 for by law, as soon as may be practical after the effective
14 date of this amendatory Act of the 91st General Assembly, but
15 in no event later than June 30, 2000, the State Comptroller
16 shall direct and the State Treasurer shall transfer the sum of
17 \$70,000,000 from the General Revenue Fund to the Long-Term Care
18 Provider Fund.

19 (f-1) In fiscal year 2002, in addition to any other
20 transfers that may be provided for by law, at the direction of
21 and upon notification from the Governor, the State Comptroller
22 shall direct and the State Treasurer shall transfer amounts not
23 exceeding a total of \$160,000,000 from the General Revenue Fund
24 to the Long-Term Care Provider Fund.

25 (g) In addition to any other transfers that may be provided
26 for by law, on July 1, 2001, or as soon thereafter as may be

1 practical, the State Comptroller shall direct and the State
2 Treasurer shall transfer the sum of \$1,200,000 from the General
3 Revenue Fund to the Violence Prevention Fund.

4 (h) In each of fiscal years 2002 through 2004, but not
5 thereafter, in addition to any other transfers that may be
6 provided for by law, the State Comptroller shall direct and the
7 State Treasurer shall transfer \$5,000,000 from the General
8 Revenue Fund to the Tourism Promotion Fund.

9 (i) On or after July 1, 2001 and until May 1, 2002, in
10 addition to any other transfers that may be provided for by
11 law, at the direction of and upon notification from the
12 Governor, the State Comptroller shall direct and the State
13 Treasurer shall transfer amounts not exceeding a total of
14 \$80,000,000 from the General Revenue Fund to the Tobacco
15 Settlement Recovery Fund. Any amounts so transferred shall be
16 re-transferred by the State Comptroller and the State Treasurer
17 from the Tobacco Settlement Recovery Fund to the General
18 Revenue Fund at the direction of and upon notification from the
19 Governor, but in any event on or before June 30, 2002.

20 (i-1) On or after July 1, 2002 and until May 1, 2003, in
21 addition to any other transfers that may be provided for by
22 law, at the direction of and upon notification from the
23 Governor, the State Comptroller shall direct and the State
24 Treasurer shall transfer amounts not exceeding a total of
25 \$80,000,000 from the General Revenue Fund to the Tobacco
26 Settlement Recovery Fund. Any amounts so transferred shall be

1 re-transferred by the State Comptroller and the State Treasurer
 2 from the Tobacco Settlement Recovery Fund to the General
 3 Revenue Fund at the direction of and upon notification from the
 4 Governor, but in any event on or before June 30, 2003.

5 (j) On or after July 1, 2001 and no later than June 30,
 6 2002, in addition to any other transfers that may be provided
 7 for by law, at the direction of and upon notification from the
 8 Governor, the State Comptroller shall direct and the State
 9 Treasurer shall transfer amounts not to exceed the following
 10 sums into the Statistical Services Revolving Fund:

11	From the General Revenue Fund	\$8,450,000
12	From the Public Utility Fund	1,700,000
13	From the Transportation Regulatory Fund	2,650,000
14	From the Title III Social Security and	
15	Employment Fund	3,700,000
16	From the Professions Indirect Cost Fund	4,050,000
17	From the Underground Storage Tank Fund	550,000
18	From the Agricultural Premium Fund	750,000
19	From the State Pensions Fund	200,000
20	From the Road Fund	2,000,000
21	From the Health Facilities	
22	Planning Fund	1,000,000
23	From the Savings and Residential Finance	
24	Regulatory Fund	130,800
25	From the Appraisal Administration Fund	28,600
26	From the Pawnbroker Regulation Fund	3,600

1	From the Auction Regulation	
2	Administration Fund	35,800
3	From the Bank and Trust Company Fund.....	634,800
4	From the Real Estate License	
5	Administration Fund	313,600

6 (k) In addition to any other transfers that may be provided
7 for by law, as soon as may be practical after the effective
8 date of this amendatory Act of the 92nd General Assembly, the
9 State Comptroller shall direct and the State Treasurer shall
10 transfer the sum of \$2,000,000 from the General Revenue Fund to
11 the Teachers Health Insurance Security Fund.

12 (k-1) In addition to any other transfers that may be
13 provided for by law, on July 1, 2002, or as soon as may be
14 practical thereafter, the State Comptroller shall direct and
15 the State Treasurer shall transfer the sum of \$2,000,000 from
16 the General Revenue Fund to the Teachers Health Insurance
17 Security Fund.

18 (k-2) In addition to any other transfers that may be
19 provided for by law, on July 1, 2003, or as soon as may be
20 practical thereafter, the State Comptroller shall direct and
21 the State Treasurer shall transfer the sum of \$2,000,000 from
22 the General Revenue Fund to the Teachers Health Insurance
23 Security Fund.

24 (k-3) On or after July 1, 2002 and no later than June 30,
25 2003, in addition to any other transfers that may be provided
26 for by law, at the direction of and upon notification from the

1 Governor, the State Comptroller shall direct and the State
 2 Treasurer shall transfer amounts not to exceed the following
 3 sums into the Statistical Services Revolving Fund:

4	Appraisal Administration Fund	\$150,000
5	General Revenue Fund	10,440,000
6	Savings and Residential Finance	
7	Regulatory Fund	200,000
8	State Pensions Fund	100,000
9	Bank and Trust Company Fund	100,000
10	Professions Indirect Cost Fund	3,400,000
11	Public Utility Fund	2,081,200
12	Real Estate License Administration Fund	150,000
13	Title III Social Security and	
14	Employment Fund	1,000,000
15	Transportation Regulatory Fund	3,052,100
16	Underground Storage Tank Fund	50,000

17 (l) In addition to any other transfers that may be provided
 18 for by law, on July 1, 2002, or as soon as may be practical
 19 thereafter, the State Comptroller shall direct and the State
 20 Treasurer shall transfer the sum of \$3,000,000 from the General
 21 Revenue Fund to the Presidential Library and Museum Operating
 22 Fund.

23 (m) In addition to any other transfers that may be provided
 24 for by law, on July 1, 2002 and on the effective date of this
 25 amendatory Act of the 93rd General Assembly, or as soon
 26 thereafter as may be practical, the State Comptroller shall

1 direct and the State Treasurer shall transfer the sum of
2 \$1,200,000 from the General Revenue Fund to the Violence
3 Prevention Fund.

4 (n) In addition to any other transfers that may be provided
5 for by law, on July 1, 2003, or as soon thereafter as may be
6 practical, the State Comptroller shall direct and the State
7 Treasurer shall transfer the sum of \$6,800,000 from the General
8 Revenue Fund to the DHS Recoveries Trust Fund.

9 (o) On or after July 1, 2003, and no later than June 30,
10 2004, in addition to any other transfers that may be provided
11 for by law, at the direction of and upon notification from the
12 Governor, the State Comptroller shall direct and the State
13 Treasurer shall transfer amounts not to exceed the following
14 sums into the Vehicle Inspection Fund:

15 From the Underground Storage Tank Fund \$35,000,000.

16 (p) On or after July 1, 2003 and until May 1, 2004, in
17 addition to any other transfers that may be provided for by
18 law, at the direction of and upon notification from the
19 Governor, the State Comptroller shall direct and the State
20 Treasurer shall transfer amounts not exceeding a total of
21 \$80,000,000 from the General Revenue Fund to the Tobacco
22 Settlement Recovery Fund. Any amounts so transferred shall be
23 re-transferred from the Tobacco Settlement Recovery Fund to the
24 General Revenue Fund at the direction of and upon notification
25 from the Governor, but in any event on or before June 30, 2004.

26 (q) In addition to any other transfers that may be provided

1 for by law, on July 1, 2003, or as soon as may be practical
2 thereafter, the State Comptroller shall direct and the State
3 Treasurer shall transfer the sum of \$5,000,000 from the General
4 Revenue Fund to the Illinois Military Family Relief Fund.

5 (r) In addition to any other transfers that may be provided
6 for by law, on July 1, 2003, or as soon as may be practical
7 thereafter, the State Comptroller shall direct and the State
8 Treasurer shall transfer the sum of \$1,922,000 from the General
9 Revenue Fund to the Presidential Library and Museum Operating
10 Fund.

11 (s) In addition to any other transfers that may be provided
12 for by law, on or after July 1, 2003, the State Comptroller
13 shall direct and the State Treasurer shall transfer the sum of
14 \$4,800,000 from the Statewide Economic Development Fund to the
15 General Revenue Fund.

16 (t) In addition to any other transfers that may be provided
17 for by law, on or after July 1, 2003, the State Comptroller
18 shall direct and the State Treasurer shall transfer the sum of
19 \$50,000,000 from the General Revenue Fund to the Budget
20 Stabilization Fund.

21 (u) On or after July 1, 2004 and until May 1, 2005, in
22 addition to any other transfers that may be provided for by
23 law, at the direction of and upon notification from the
24 Governor, the State Comptroller shall direct and the State
25 Treasurer shall transfer amounts not exceeding a total of
26 \$80,000,000 from the General Revenue Fund to the Tobacco

1 Settlement Recovery Fund. Any amounts so transferred shall be
2 retransferred by the State Comptroller and the State Treasurer
3 from the Tobacco Settlement Recovery Fund to the General
4 Revenue Fund at the direction of and upon notification from the
5 Governor, but in any event on or before June 30, 2005.

6 (v) In addition to any other transfers that may be provided
7 for by law, on July 1, 2004, or as soon thereafter as may be
8 practical, the State Comptroller shall direct and the State
9 Treasurer shall transfer the sum of \$1,200,000 from the General
10 Revenue Fund to the Violence Prevention Fund.

11 (w) In addition to any other transfers that may be provided
12 for by law, on July 1, 2004, or as soon thereafter as may be
13 practical, the State Comptroller shall direct and the State
14 Treasurer shall transfer the sum of \$6,445,000 from the General
15 Revenue Fund to the Presidential Library and Museum Operating
16 Fund.

17 (x) In addition to any other transfers that may be provided
18 for by law, on January 15, 2005, or as soon thereafter as may
19 be practical, the State Comptroller shall direct and the State
20 Treasurer shall transfer to the General Revenue Fund the
21 following sums:

22 From the State Crime Laboratory Fund, \$200,000;

23 From the State Police Wireless Service Emergency Fund,
24 \$200,000;

25 From the State Offender DNA Identification System
26 Fund, \$800,000; and

1 From the State Police Whistleblower Reward and
2 Protection Fund, \$500,000.

3 (y) Notwithstanding any other provision of law to the
4 contrary, in addition to any other transfers that may be
5 provided for by law on June 30, 2005, or as soon as may be
6 practical thereafter, the State Comptroller shall direct and
7 the State Treasurer shall transfer the remaining balance from
8 the designated funds into the General Revenue Fund and any
9 future deposits that would otherwise be made into these funds
10 must instead be made into the General Revenue Fund:

11 (1) the Keep Illinois Beautiful Fund;

12 (2) the Metropolitan Fair and Exposition Authority
13 Reconstruction Fund;

14 (3) the New Technology Recovery Fund;

15 (4) the Illinois Rural Bond Bank Trust Fund;

16 (5) the ISBE School Bus Driver Permit Fund;

17 (6) the Solid Waste Management Revolving Loan Fund;

18 (7) the State Postsecondary Review Program Fund;

19 (8) the Tourism Attraction Development Matching Grant
20 Fund;

21 (9) the Patent and Copyright Fund;

22 (10) the Credit Enhancement Development Fund;

23 (11) the Community Mental Health and Developmental
24 Disabilities Services Provider Participation Fee Trust
25 Fund;

26 (12) the Nursing Home Grant Assistance Fund;

- 1 (13) the By-product Material Safety Fund;
- 2 (14) the Illinois Student Assistance Commission Higher
3 EdNet Fund;
- 4 (15) the DORS State Project Fund;
- 5 (16) the School Technology Revolving Fund;
- 6 (17) the Energy Assistance Contribution Fund;
- 7 (18) the Illinois Building Commission Revolving Fund;
- 8 (19) the Illinois Aquaculture Development Fund;
- 9 (20) the Homelessness Prevention Fund;
- 10 (21) the DCFS Refugee Assistance Fund;
- 11 (22) the Illinois Century Network Special Purposes
12 Fund; and
- 13 (23) the Build Illinois Purposes Fund.
- 14 (z) In addition to any other transfers that may be provided
15 for by law, on July 1, 2005, or as soon as may be practical
16 thereafter, the State Comptroller shall direct and the State
17 Treasurer shall transfer the sum of \$1,200,000 from the General
18 Revenue Fund to the Violence Prevention Fund.
- 19 (aa) In addition to any other transfers that may be
20 provided for by law, on July 1, 2005, or as soon as may be
21 practical thereafter, the State Comptroller shall direct and
22 the State Treasurer shall transfer the sum of \$9,000,000 from
23 the General Revenue Fund to the Presidential Library and Museum
24 Operating Fund.
- 25 (bb) In addition to any other transfers that may be
26 provided for by law, on July 1, 2005, or as soon as may be

1 practical thereafter, the State Comptroller shall direct and
2 the State Treasurer shall transfer the sum of \$6,803,600 from
3 the General Revenue Fund to the Securities Audit and
4 Enforcement Fund.

5 (cc) In addition to any other transfers that may be
6 provided for by law, on or after July 1, 2005 and until May 1,
7 2006, at the direction of and upon notification from the
8 Governor, the State Comptroller shall direct and the State
9 Treasurer shall transfer amounts not exceeding a total of
10 \$80,000,000 from the General Revenue Fund to the Tobacco
11 Settlement Recovery Fund. Any amounts so transferred shall be
12 re-transferred by the State Comptroller and the State Treasurer
13 from the Tobacco Settlement Recovery Fund to the General
14 Revenue Fund at the direction of and upon notification from the
15 Governor, but in any event on or before June 30, 2006.

16 (dd) In addition to any other transfers that may be
17 provided for by law, on April 1, 2005, or as soon thereafter as
18 may be practical, at the direction of the Director of Public
19 Aid (now Director of Healthcare and Family Services), the State
20 Comptroller shall direct and the State Treasurer shall transfer
21 from the Public Aid Recoveries Trust Fund amounts not to exceed
22 \$14,000,000 to the Community Mental Health Medicaid Trust Fund.

23 (ee) Notwithstanding any other provision of law, on July 1,
24 2006, or as soon thereafter as practical, the State Comptroller
25 shall direct and the State Treasurer shall transfer the
26 remaining balance from the Illinois Civic Center Bond Fund to

1 the Illinois Civic Center Bond Retirement and Interest Fund.

2 (ff) In addition to any other transfers that may be
3 provided for by law, on and after July 1, 2006 and until June
4 30, 2007, at the direction of and upon notification from the
5 Director of the Governor's Office of Management and Budget, the
6 State Comptroller shall direct and the State Treasurer shall
7 transfer amounts not exceeding a total of \$1,900,000 from the
8 General Revenue Fund to the Illinois Capital Revolving Loan
9 Fund.

10 (gg) In addition to any other transfers that may be
11 provided for by law, on and after July 1, 2006 and until May 1,
12 2007, at the direction of and upon notification from the
13 Governor, the State Comptroller shall direct and the State
14 Treasurer shall transfer amounts not exceeding a total of
15 \$80,000,000 from the General Revenue Fund to the Tobacco
16 Settlement Recovery Fund. Any amounts so transferred shall be
17 retransferred by the State Comptroller and the State Treasurer
18 from the Tobacco Settlement Recovery Fund to the General
19 Revenue Fund at the direction of and upon notification from the
20 Governor, but in any event on or before June 30, 2007.

21 (hh) In addition to any other transfers that may be
22 provided for by law, on and after July 1, 2006 and until June
23 30, 2007, at the direction of and upon notification from the
24 Governor, the State Comptroller shall direct and the State
25 Treasurer shall transfer amounts from the Illinois Affordable
26 Housing Trust Fund to the designated funds not exceeding the

1 following amounts:

2 DCFS Children's Services Fund \$2,200,000
3 Department of Corrections Reimbursement
4 and Education Fund \$1,500,000
5 Supplemental Low-Income Energy
6 Assistance Fund \$75,000

7 (ii) In addition to any other transfers that may be
8 provided for by law, on or before August 31, 2006, the Governor
9 and the State Comptroller may agree to transfer the surplus
10 cash balance from the General Revenue Fund to the Budget
11 Stabilization Fund and the Pension Stabilization Fund in equal
12 proportions. The determination of the amount of the surplus
13 cash balance shall be made by the Governor, with the
14 concurrence of the State Comptroller, after taking into account
15 the June 30, 2006 balances in the general funds and the actual
16 or estimated spending from the general funds during the lapse
17 period. Notwithstanding the foregoing, the maximum amount that
18 may be transferred under this subsection (ii) is \$50,000,000.

19 (jj) In addition to any other transfers that may be
20 provided for by law, on July 1, 2006, or as soon thereafter as
21 practical, the State Comptroller shall direct and the State
22 Treasurer shall transfer the sum of \$8,250,000 from the General
23 Revenue Fund to the Presidential Library and Museum Operating
24 Fund.

25 (kk) In addition to any other transfers that may be
26 provided for by law, on July 1, 2006, or as soon thereafter as

1 practical, the State Comptroller shall direct and the State
2 Treasurer shall transfer the sum of \$1,400,000 from the General
3 Revenue Fund to the Violence Prevention Fund.

4 (ll) In addition to any other transfers that may be
5 provided for by law, on the first day of each calendar quarter
6 of the fiscal year beginning July 1, 2006, or as soon
7 thereafter as practical, the State Comptroller shall direct and
8 the State Treasurer shall transfer from the General Revenue
9 Fund amounts equal to one-fourth of \$20,000,000 to the
10 Renewable Energy Resources Trust Fund.

11 (mm) In addition to any other transfers that may be
12 provided for by law, on July 1, 2006, or as soon thereafter as
13 practical, the State Comptroller shall direct and the State
14 Treasurer shall transfer the sum of \$1,320,000 from the General
15 Revenue Fund to the I-FLY Fund.

16 (nn) In addition to any other transfers that may be
17 provided for by law, on July 1, 2006, or as soon thereafter as
18 practical, the State Comptroller shall direct and the State
19 Treasurer shall transfer the sum of \$3,000,000 from the General
20 Revenue Fund to the African-American HIV/AIDS Response Fund.

21 (oo) In addition to any other transfers that may be
22 provided for by law, on and after July 1, 2006 and until June
23 30, 2007, at the direction of and upon notification from the
24 Governor, the State Comptroller shall direct and the State
25 Treasurer shall transfer amounts identified as net receipts
26 from the sale of all or part of the Illinois Student Assistance

1 Commission loan portfolio from the Student Loan Operating Fund
2 to the General Revenue Fund. The maximum amount that may be
3 transferred pursuant to this Section is \$38,800,000. In
4 addition, no transfer may be made pursuant to this Section that
5 would have the effect of reducing the available balance in the
6 Student Loan Operating Fund to an amount less than the amount
7 remaining unexpended and unreserved from the total
8 appropriations from the Fund estimated to be expended for the
9 fiscal year. The State Treasurer and Comptroller shall transfer
10 the amounts designated under this Section as soon as may be
11 practical after receiving the direction to transfer from the
12 Governor.

13 (pp) In addition to any other transfers that may be
14 provided for by law, on July 1, 2006, or as soon thereafter as
15 practical, the State Comptroller shall direct and the State
16 Treasurer shall transfer the sum of \$2,000,000 from the General
17 Revenue Fund to the Illinois Veterans Assistance Fund.

18 (qq) In addition to any other transfers that may be
19 provided for by law, on and after July 1, 2007 and until May 1,
20 2008, at the direction of and upon notification from the
21 Governor, the State Comptroller shall direct and the State
22 Treasurer shall transfer amounts not exceeding a total of
23 \$80,000,000 from the General Revenue Fund to the Tobacco
24 Settlement Recovery Fund. Any amounts so transferred shall be
25 retransferred by the State Comptroller and the State Treasurer
26 from the Tobacco Settlement Recovery Fund to the General

1 Revenue Fund at the direction of and upon notification from the
2 Governor, but in any event on or before June 30, 2008.

3 (rr) In addition to any other transfers that may be
4 provided for by law, on and after July 1, 2007 and until June
5 30, 2008, at the direction of and upon notification from the
6 Governor, the State Comptroller shall direct and the State
7 Treasurer shall transfer amounts from the Illinois Affordable
8 Housing Trust Fund to the designated funds not exceeding the
9 following amounts:

10	DCFS Children's Services Fund	\$2,200,000
11	Department of Corrections Reimbursement	
12	and Education Fund	\$1,500,000
13	Supplemental Low-Income Energy	
14	Assistance Fund	\$75,000

15 (ss) In addition to any other transfers that may be
16 provided for by law, on July 1, 2007, or as soon thereafter as
17 practical, the State Comptroller shall direct and the State
18 Treasurer shall transfer the sum of \$8,250,000 from the General
19 Revenue Fund to the Presidential Library and Museum Operating
20 Fund.

21 (tt) In addition to any other transfers that may be
22 provided for by law, on July 1, 2007, or as soon thereafter as
23 practical, the State Comptroller shall direct and the State
24 Treasurer shall transfer the sum of \$1,400,000 from the General
25 Revenue Fund to the Violence Prevention Fund.

26 (uu) In addition to any other transfers that may be

1 provided for by law, on July 1, 2007, or as soon thereafter as
2 practical, the State Comptroller shall direct and the State
3 Treasurer shall transfer the sum of \$1,320,000 from the General
4 Revenue Fund to the I-FLY Fund.

5 (vv) In addition to any other transfers that may be
6 provided for by law, on July 1, 2007, or as soon thereafter as
7 practical, the State Comptroller shall direct and the State
8 Treasurer shall transfer the sum of \$3,000,000 from the General
9 Revenue Fund to the African-American HIV/AIDS Response Fund.

10 (ww) In addition to any other transfers that may be
11 provided for by law, on July 1, 2007, or as soon thereafter as
12 practical, the State Comptroller shall direct and the State
13 Treasurer shall transfer the sum of \$3,500,000 from the General
14 Revenue Fund to the Predatory Lending Database Program Fund.

15 (xx) In addition to any other transfers that may be
16 provided for by law, on July 1, 2007, or as soon thereafter as
17 practical, the State Comptroller shall direct and the State
18 Treasurer shall transfer the sum of \$5,000,000 from the General
19 Revenue Fund to the Digital Divide Elimination Fund.

20 (yy) In addition to any other transfers that may be
21 provided for by law, on July 1, 2007, or as soon thereafter as
22 practical, the State Comptroller shall direct and the State
23 Treasurer shall transfer the sum of \$4,000,000 from the General
24 Revenue Fund to the Digital Divide Elimination Infrastructure
25 Fund.

26 (zz) In addition to any other transfers that may be

1 provided for by law, on July 1, 2008, or as soon thereafter as
 2 practical, the State Comptroller shall direct and the State
 3 Treasurer shall transfer the sum of \$5,000,000 from the General
 4 Revenue Fund to the Digital Divide Elimination Fund.

5 (aaa) In addition to any other transfers that may be
 6 provided for by law, on and after July 1, 2008 and until May 1,
 7 2009, at the direction of and upon notification from the
 8 Governor, the State Comptroller shall direct and the State
 9 Treasurer shall transfer amounts not exceeding a total of
 10 \$80,000,000 from the General Revenue Fund to the Tobacco
 11 Settlement Recovery Fund. Any amounts so transferred shall be
 12 retransferred by the State Comptroller and the State Treasurer
 13 from the Tobacco Settlement Recovery Fund to the General
 14 Revenue Fund at the direction of and upon notification from the
 15 Governor, but in any event on or before June 30, 2009.

16 (bbb) In addition to any other transfers that may be
 17 provided for by law, on and after July 1, 2008 and until June
 18 30, 2009, at the direction of and upon notification from the
 19 Governor, the State Comptroller shall direct and the State
 20 Treasurer shall transfer amounts from the Illinois Affordable
 21 Housing Trust Fund to the designated funds not exceeding the
 22 following amounts:

- 23 DCFS Children's Services Fund \$2,200,000
- 24 Department of Corrections Reimbursement
- 25 and Education Fund \$1,500,000
- 26 Supplemental Low-Income Energy

1 Assistance Fund..... \$75,000

2 (ccc) In addition to any other transfers that may be
3 provided for by law, on July 1, 2008, or as soon thereafter as
4 practical, the State Comptroller shall direct and the State
5 Treasurer shall transfer the sum of \$7,450,000 from the General
6 Revenue Fund to the Presidential Library and Museum Operating
7 Fund.

8 (ddd) In addition to any other transfers that may be
9 provided for by law, on July 1, 2008, or as soon thereafter as
10 practical, the State Comptroller shall direct and the State
11 Treasurer shall transfer the sum of \$1,400,000 from the General
12 Revenue Fund to the Violence Prevention Fund.

13 (eee) In addition to any other transfers that may be
14 provided for by law, on July 1, 2009, or as soon thereafter as
15 practical, the State Comptroller shall direct and the State
16 Treasurer shall transfer the sum of \$5,000,000 from the General
17 Revenue Fund to the Digital Divide Elimination Fund.

18 (fff) In addition to any other transfers that may be
19 provided for by law, on and after July 1, 2009 and until May 1,
20 2010, at the direction of and upon notification from the
21 Governor, the State Comptroller shall direct and the State
22 Treasurer shall transfer amounts not exceeding a total of
23 \$80,000,000 from the General Revenue Fund to the Tobacco
24 Settlement Recovery Fund. Any amounts so transferred shall be
25 retransferred by the State Comptroller and the State Treasurer
26 from the Tobacco Settlement Recovery Fund to the General

1 Revenue Fund at the direction of and upon notification from the
2 Governor, but in any event on or before June 30, 2010.

3 (ggg) In addition to any other transfers that may be
4 provided for by law, on July 1, 2009, or as soon thereafter as
5 practical, the State Comptroller shall direct and the State
6 Treasurer shall transfer the sum of \$7,450,000 from the General
7 Revenue Fund to the Presidential Library and Museum Operating
8 Fund.

9 (hhh) In addition to any other transfers that may be
10 provided for by law, on July 1, 2009, or as soon thereafter as
11 practical, the State Comptroller shall direct and the State
12 Treasurer shall transfer the sum of \$1,400,000 from the General
13 Revenue Fund to the Violence Prevention Fund.

14 (iii) In addition to any other transfers that may be
15 provided for by law, on July 1, 2009, or as soon thereafter as
16 practical, the State Comptroller shall direct and the State
17 Treasurer shall transfer the sum of \$100,000 from the General
18 Revenue Fund to the Heartsaver AED Fund.

19 (jjj) In addition to any other transfers that may be
20 provided for by law, on and after July 1, 2009 and until June
21 30, 2010, at the direction of and upon notification from the
22 Governor, the State Comptroller shall direct and the State
23 Treasurer shall transfer amounts not exceeding a total of
24 \$17,000,000 from the General Revenue Fund to the DCFS
25 Children's Services Fund.

26 (lll) In addition to any other transfers that may be

1 provided for by law, on July 1, 2009, or as soon thereafter as
2 practical, the State Comptroller shall direct and the State
3 Treasurer shall transfer the sum of \$5,000,000 from the General
4 Revenue Fund to the Communications Revolving Fund.

5 (Source: P.A. 94-58, eff. 6-17-05; 94-91, eff. 7-1-05; 94-816,
6 eff. 5-30-06; 94-839, eff. 6-6-06; 95-331, eff. 8-21-07;
7 95-707, eff. 1-11-08; 95-744, eff. 7-18-08.)

8 (30 ILCS 105/8o)

9 Sec. 8o. Transfer to the University of Illinois Income
10 Fund.

11 (a) Immediately upon the effective date of this Section,
12 the State Comptroller shall direct and the State Treasurer
13 shall transfer \$15,826,499 from the General Revenue Fund to the
14 University of Illinois Income Fund.

15 (b) In addition to any other transfers that may be provided
16 for by law, on the first day of each calendar quarter of the
17 fiscal year beginning July 1, 2009, or as soon as may be
18 practical thereafter, the State Comptroller shall direct and
19 the State Treasurer shall transfer an amount equal to
20 one-fourth of \$15,826,499 from the General Revenue Fund to the
21 University of Illinois Income Fund.

22 (Source: P.A. 95-728, eff. 7-1-08.)

23 (30 ILCS 105/13.5)

24 Sec. 13.5. Appropriations for education.

1 (a) Except for the State fiscal year beginning on July 1,
2 2009, State appropriations to the State Board of Education, the
3 Board of Trustees of Southern Illinois University, the Board of
4 Trustees of the University of Illinois, the Board of Trustees
5 of Chicago State University, the Board of Trustees of Eastern
6 Illinois University, the Board of Trustees of Illinois State
7 University, the Board of Trustees of Governors State
8 University, the Board of Trustees of Northeastern Illinois
9 University, the Board of Trustees of Northern Illinois
10 University, and the Board of Trustees of Western Illinois
11 University for operations shall identify the amounts
12 appropriated for personal services, State contributions to
13 social security for Medicare, contractual services, travel,
14 commodities, equipment, operation of automotive equipment,
15 telecommunications, awards and grants, and permanent
16 improvements.

17 (b) Within 120 days after the conclusion of each fiscal
18 year, each State-supported institution of higher learning must
19 provide, through the Illinois Board of Higher Education, a
20 financial report to the Governor and General Assembly
21 documenting the institution's revenues and expenditures of
22 funds for that fiscal year ending June 30 for all funds.

23 (Source: P.A. 93-229, eff. 7-22-03; 93-1036, eff. 9-14-04.)

24 (30 ILCS 105/14.1) (from Ch. 127, par. 150.1)

25 Sec. 14.1. Appropriations for State contributions to the

1 State Employees' Retirement System; payroll requirements.

2 (a) Appropriations for State contributions to the State
3 Employees' Retirement System of Illinois shall be expended in
4 the manner provided in this Section. Except as otherwise
5 provided in subsections ~~subsection~~ (a-1) and (a-2), at the time
6 of each payment of salary to an employee under the personal
7 services line item, payment shall be made to the State
8 Employees' Retirement System, from the amount appropriated for
9 State contributions to the State Employees' Retirement System,
10 of an amount calculated at the rate certified for the
11 applicable fiscal year by the Board of Trustees of the State
12 Employees' Retirement System under Section 14-135.08 of the
13 Illinois Pension Code. If a line item appropriation to an
14 employer for this purpose is exhausted or is unavailable due to
15 any limitation on appropriations that may apply, (including,
16 but not limited to, limitations on appropriations from the Road
17 Fund under Section 8.3 of the State Finance Act), the amounts
18 shall be paid under the continuing appropriation for this
19 purpose contained in the State Pension Funds Continuing
20 Appropriation Act.

21 (a-1) Beginning on the effective date of this amendatory
22 Act of the 93rd General Assembly through the payment of the
23 final payroll from fiscal year 2004 appropriations,
24 appropriations for State contributions to the State Employees'
25 Retirement System of Illinois shall be expended in the manner
26 provided in this subsection (a-1). At the time of each payment

1 of salary to an employee under the personal services line item
2 from a fund other than the General Revenue Fund, payment shall
3 be made for deposit into the General Revenue Fund from the
4 amount appropriated for State contributions to the State
5 Employees' Retirement System of an amount calculated at the
6 rate certified for fiscal year 2004 by the Board of Trustees of
7 the State Employees' Retirement System under Section 14-135.08
8 of the Illinois Pension Code. This payment shall be made to the
9 extent that a line item appropriation to an employer for this
10 purpose is available or unexhausted. No payment from
11 appropriations for State contributions shall be made in
12 conjunction with payment of salary to an employee under the
13 personal services line item from the General Revenue Fund.

14 (a-2) For fiscal year 2010 only, at the time of each
15 payment of salary to an employee under the personal services
16 line item from a fund other than the General Revenue Fund,
17 payment shall be made for deposit into the State Employees'
18 Retirement System of Illinois from the amount appropriated for
19 State contributions to the State Employees' Retirement System
20 of Illinois of an amount calculated at the rate certified for
21 fiscal year 2010 by the Board of Trustees of the State
22 Employees' Retirement System of Illinois under Section
23 14-135.08 of the Illinois Pension Code. This payment shall be
24 made to the extent that a line item appropriation to an
25 employer for this purpose is available or unexhausted. For
26 fiscal year 2010 only, no payment from appropriations for State

1 contributions shall be made in conjunction with payment of
2 salary to an employee under the personal services line item
3 from the General Revenue Fund.

4 (b) Except during the period beginning on the effective
5 date of this amendatory Act of the 93rd General Assembly and
6 ending at the time of the payment of the final payroll from
7 fiscal year 2004 appropriations, the State Comptroller shall
8 not approve for payment any payroll voucher that (1) includes
9 payments of salary to eligible employees in the State
10 Employees' Retirement System of Illinois and (2) does not
11 include the corresponding payment of State contributions to
12 that retirement system at the full rate certified under Section
13 14-135.08 for that fiscal year for eligible employees, unless
14 the balance in the fund on which the payroll voucher is drawn
15 is insufficient to pay the total payroll voucher, or
16 unavailable due to any limitation on appropriations that may
17 apply, including, but not limited to, limitations on
18 appropriations from the Road Fund under Section 8.3 of the
19 State Finance Act. If the State Comptroller approves a payroll
20 voucher under this Section for which the fund balance is
21 insufficient to pay the full amount of the required State
22 contribution to the State Employees' Retirement System, the
23 Comptroller shall promptly so notify the Retirement System.

24 (b-1) For fiscal year 2010 only, the State Comptroller
25 shall not approve for payment any non-General Revenue Fund
26 payroll voucher that (1) includes payments of salary to

1 eligible employees in the State Employees' Retirement System of
2 Illinois and (2) does not include the corresponding payment of
3 State contributions to that retirement system at the full rate
4 certified under Section 14-135.08 for that fiscal year for
5 eligible employees, unless the balance in the fund on which the
6 payroll voucher is drawn is insufficient to pay the total
7 payroll voucher, or unavailable due to any limitation on
8 appropriations that may apply, including, but not limited to,
9 limitations on appropriations from the Road Fund under Section
10 8.3 of the State Finance Act. If the State Comptroller approves
11 a payroll voucher under this Section for which the fund balance
12 is insufficient to pay the full amount of the required State
13 contribution to the State Employees' Retirement System of
14 Illinois, the Comptroller shall promptly so notify the
15 retirement system.

16 (c) Notwithstanding any other provisions of law, beginning
17 July 1, 2007, required State and employee contributions to the
18 State Employees' Retirement System of Illinois relating to
19 affected legislative staff employees shall be paid out of
20 moneys appropriated for that purpose to the Commission on
21 Government Forecasting and Accountability, rather than out of
22 the lump-sum appropriations otherwise made for the payroll and
23 other costs of those employees.

24 These payments must be made pursuant to payroll vouchers
25 submitted by the employing entity as part of the regular
26 payroll voucher process.

1 For the purpose of this subsection, "affected legislative
2 staff employees" means legislative staff employees paid out of
3 lump-sum appropriations made to the General Assembly, an
4 Officer of the General Assembly, or the Senate Operations
5 Commission, but does not include district-office staff or
6 employees of legislative support services agencies.

7 (Source: P.A. 95-707, eff. 1-11-08.)

8 Section 5-35. The State Revenue Sharing Act is amended by
9 changing Section 12 as follows:

10 (30 ILCS 115/12) (from Ch. 85, par. 616)

11 Sec. 12. Personal Property Tax Replacement Fund. There is
12 hereby created the Personal Property Tax Replacement Fund, a
13 special fund in the State Treasury into which shall be paid all
14 revenue realized:

15 (a) all amounts realized from the additional personal
16 property tax replacement income tax imposed by subsections (c)
17 and (d) of Section 201 of the Illinois Income Tax Act, except
18 for those amounts deposited into the Income Tax Refund Fund
19 pursuant to subsection (c) of Section 901 of the Illinois
20 Income Tax Act; and

21 (b) all amounts realized from the additional personal
22 property replacement invested capital taxes imposed by Section
23 2a.1 of the Messages Tax Act, Section 2a.1 of the Gas Revenue
24 Tax Act, Section 2a.1 of the Public Utilities Revenue Act, and

1 Section 3 of the Water Company Invested Capital Tax Act, and
2 amounts payable to the Department of Revenue under the
3 Telecommunications Infrastructure Maintenance Fee Act.

4 As soon as may be after the end of each month, the
5 Department of Revenue shall certify to the Treasurer and the
6 Comptroller the amount of all refunds paid out of the General
7 Revenue Fund through the preceding month on account of
8 overpayment of liability on taxes paid into the Personal
9 Property Tax Replacement Fund. Upon receipt of such
10 certification, the Treasurer and the Comptroller shall
11 transfer the amount so certified from the Personal Property Tax
12 Replacement Fund into the General Revenue Fund.

13 The payments of revenue into the Personal Property Tax
14 Replacement Fund shall be used exclusively for distribution to
15 taxing districts as provided in this Section, payment of the
16 ordinary and contingent expenses of the Property Tax Appeal
17 Board, payment of the expenses of the Department of Revenue
18 incurred in administering the collection and distribution of
19 monies paid into the Personal Property Tax Replacement Fund and
20 transfers due to refunds to taxpayers for overpayment of
21 liability for taxes paid into the Personal Property Tax
22 Replacement Fund.

23 As soon as may be after the effective date of this
24 amendatory Act of 1980, the Department of Revenue shall certify
25 to the Treasurer the amount of net replacement revenue paid
26 into the General Revenue Fund prior to that effective date from

1 the additional tax imposed by Section 2a.1 of the Messages Tax
2 Act; Section 2a.1 of the Gas Revenue Tax Act; Section 2a.1 of
3 the Public Utilities Revenue Act; Section 3 of the Water
4 Company Invested Capital Tax Act; amounts collected by the
5 Department of Revenue under the Telecommunications
6 Infrastructure Maintenance Fee Act; and the additional
7 personal property tax replacement income tax imposed by the
8 Illinois Income Tax Act, as amended by Public Act 81-1st
9 Special Session-1. Net replacement revenue shall be defined as
10 the total amount paid into and remaining in the General Revenue
11 Fund as a result of those Acts minus the amount outstanding and
12 obligated from the General Revenue Fund in state vouchers or
13 warrants prior to the effective date of this amendatory Act of
14 1980 as refunds to taxpayers for overpayment of liability under
15 those Acts.

16 All interest earned by monies accumulated in the Personal
17 Property Tax Replacement Fund shall be deposited in such Fund.
18 All amounts allocated pursuant to this Section are appropriated
19 on a continuing basis.

20 Prior to December 31, 1980, as soon as may be after the end
21 of each quarter beginning with the quarter ending December 31,
22 1979, and on and after December 31, 1980, as soon as may be
23 after January 1, March 1, April 1, May 1, July 1, August 1,
24 October 1 and December 1 of each year, the Department of
25 Revenue shall allocate to each taxing district as defined in
26 Section 1-150 of the Property Tax Code, in accordance with the

1 provisions of paragraph (2) of this Section the portion of the
2 funds held in the Personal Property Tax Replacement Fund which
3 is required to be distributed, as provided in paragraph (1),
4 for each quarter. Provided, however, under no circumstances
5 shall any taxing district during each of the first two years of
6 distribution of the taxes imposed by this amendatory Act of
7 1979 be entitled to an annual allocation which is less than the
8 funds such taxing district collected from the 1978 personal
9 property tax. Provided further that under no circumstances
10 shall any taxing district during the third year of distribution
11 of the taxes imposed by this amendatory Act of 1979 receive
12 less than 60% of the funds such taxing district collected from
13 the 1978 personal property tax. In the event that the total of
14 the allocations made as above provided for all taxing
15 districts, during either of such 3 years, exceeds the amount
16 available for distribution the allocation of each taxing
17 district shall be proportionately reduced. Except as provided
18 in Section 13 of this Act, the Department shall then certify,
19 pursuant to appropriation, such allocations to the State
20 Comptroller who shall pay over to the several taxing districts
21 the respective amounts allocated to them.

22 Any township which receives an allocation based in whole or
23 in part upon personal property taxes which it levied pursuant
24 to Section 6-507 or 6-512 of the Illinois Highway Code and
25 which was previously required to be paid over to a municipality
26 shall immediately pay over to that municipality a proportionate

1 share of the personal property replacement funds which such
2 township receives.

3 Any municipality or township, other than a municipality
4 with a population in excess of 500,000, which receives an
5 allocation based in whole or in part on personal property taxes
6 which it levied pursuant to Sections 3-1, 3-4 and 3-6 of the
7 Illinois Local Library Act and which was previously required to
8 be paid over to a public library shall immediately pay over to
9 that library a proportionate share of the personal property tax
10 replacement funds which such municipality or township
11 receives; provided that if such a public library has converted
12 to a library organized under The Illinois Public Library
13 District Act, regardless of whether such conversion has
14 occurred on, after or before January 1, 1988, such
15 proportionate share shall be immediately paid over to the
16 library district which maintains and operates the library.
17 However, any library that has converted prior to January 1,
18 1988, and which hitherto has not received the personal property
19 tax replacement funds, shall receive such funds commencing on
20 January 1, 1988.

21 Any township which receives an allocation based in whole or
22 in part on personal property taxes which it levied pursuant to
23 Section 1c of the Public Graveyards Act and which taxes were
24 previously required to be paid over to or used for such public
25 cemetery or cemeteries shall immediately pay over to or use for
26 such public cemetery or cemeteries a proportionate share of the

1 personal property tax replacement funds which the township
2 receives.

3 Any taxing district which receives an allocation based in
4 whole or in part upon personal property taxes which it levied
5 for another governmental body or school district in Cook County
6 in 1976 or for another governmental body or school district in
7 the remainder of the State in 1977 shall immediately pay over
8 to that governmental body or school district the amount of
9 personal property replacement funds which such governmental
10 body or school district would receive directly under the
11 provisions of paragraph (2) of this Section, had it levied its
12 own taxes.

13 (1) The portion of the Personal Property Tax
14 Replacement Fund required to be distributed as of the time
15 allocation is required to be made shall be the amount
16 available in such Fund as of the time allocation is
17 required to be made.

18 The amount available for distribution shall be the
19 total amount in the fund at such time minus the necessary
20 administrative expenses as limited by the appropriation
21 and the amount determined by: (a) \$2.8 million for fiscal
22 year 1981; (b) for fiscal year 1982, .54% of the funds
23 distributed from the fund during the preceding fiscal year;
24 (c) for fiscal year 1983 through fiscal year 1988, .54% of
25 the funds distributed from the fund during the preceding
26 fiscal year less .02% of such fund for fiscal year 1983 and

1 less .02% of such funds for each fiscal year thereafter, or
2 (d) for fiscal year 1989 and beyond no more than 105% of
3 the actual administrative expenses of the prior fiscal
4 year. Such portion of the fund shall be determined after
5 the transfer into the General Revenue Fund due to refunds,
6 if any, paid from the General Revenue Fund during the
7 preceding quarter. If at any time, for any reason, there is
8 insufficient amount in the Personal Property Tax
9 Replacement Fund for payment of costs of administration or
10 for transfers due to refunds at the end of any particular
11 month, the amount of such insufficiency shall be carried
12 over for the purposes of transfers into the General Revenue
13 Fund and for purposes of costs of administration to the
14 following month or months. Net replacement revenue held,
15 and defined above, shall be transferred by the Treasurer
16 and Comptroller to the Personal Property Tax Replacement
17 Fund within 10 days of such certification.

18 (2) Each quarterly allocation shall first be
19 apportioned in the following manner: 51.65% for taxing
20 districts in Cook County and 48.35% for taxing districts in
21 the remainder of the State.

22 The Personal Property Replacement Ratio of each taxing
23 district outside Cook County shall be the ratio which the Tax
24 Base of that taxing district bears to the Downstate Tax Base.
25 The Tax Base of each taxing district outside of Cook County is
26 the personal property tax collections for that taxing district

1 for the 1977 tax year. The Downstate Tax Base is the personal
2 property tax collections for all taxing districts in the State
3 outside of Cook County for the 1977 tax year. The Department of
4 Revenue shall have authority to review for accuracy and
5 completeness the personal property tax collections for each
6 taxing district outside Cook County for the 1977 tax year.

7 The Personal Property Replacement Ratio of each Cook County
8 taxing district shall be the ratio which the Tax Base of that
9 taxing district bears to the Cook County Tax Base. The Tax Base
10 of each Cook County taxing district is the personal property
11 tax collections for that taxing district for the 1976 tax year.
12 The Cook County Tax Base is the personal property tax
13 collections for all taxing districts in Cook County for the
14 1976 tax year. The Department of Revenue shall have authority
15 to review for accuracy and completeness the personal property
16 tax collections for each taxing district within Cook County for
17 the 1976 tax year.

18 For all purposes of this Section 12, amounts paid to a
19 taxing district for such tax years as may be applicable by a
20 foreign corporation under the provisions of Section 7-202 of
21 the Public Utilities Act, as amended, shall be deemed to be
22 personal property taxes collected by such taxing district for
23 such tax years as may be applicable. The Director shall
24 determine from the Illinois Commerce Commission, for any tax
25 year as may be applicable, the amounts so paid by any such
26 foreign corporation to any and all taxing districts. The

1 Illinois Commerce Commission shall furnish such information to
2 the Director. For all purposes of this Section 12, the Director
3 shall deem such amounts to be collected personal property taxes
4 of each such taxing district for the applicable tax year or
5 years.

6 Taxing districts located both in Cook County and in one or
7 more other counties shall receive both a Cook County allocation
8 and a Downstate allocation determined in the same way as all
9 other taxing districts.

10 If any taxing district in existence on July 1, 1979 ceases
11 to exist, or discontinues its operations, its Tax Base shall
12 thereafter be deemed to be zero. If the powers, duties and
13 obligations of the discontinued taxing district are assumed by
14 another taxing district, the Tax Base of the discontinued
15 taxing district shall be added to the Tax Base of the taxing
16 district assuming such powers, duties and obligations.

17 If two or more taxing districts in existence on July 1,
18 1979, or a successor or successors thereto shall consolidate
19 into one taxing district, the Tax Base of such consolidated
20 taxing district shall be the sum of the Tax Bases of each of
21 the taxing districts which have consolidated.

22 If a single taxing district in existence on July 1, 1979,
23 or a successor or successors thereto shall be divided into two
24 or more separate taxing districts, the tax base of the taxing
25 district so divided shall be allocated to each of the resulting
26 taxing districts in proportion to the then current equalized

1 assessed value of each resulting taxing district.

2 If a portion of the territory of a taxing district is
3 disconnected and annexed to another taxing district of the same
4 type, the Tax Base of the taxing district from which
5 disconnection was made shall be reduced in proportion to the
6 then current equalized assessed value of the disconnected
7 territory as compared with the then current equalized assessed
8 value within the entire territory of the taxing district prior
9 to disconnection, and the amount of such reduction shall be
10 added to the Tax Base of the taxing district to which
11 annexation is made.

12 If a community college district is created after July 1,
13 1979, beginning on the effective date of this amendatory Act of
14 1995, its Tax Base shall be 3.5% of the sum of the personal
15 property tax collected for the 1977 tax year within the
16 territorial jurisdiction of the district.

17 The amounts allocated and paid to taxing districts pursuant
18 to the provisions of this amendatory Act of 1979 shall be
19 deemed to be substitute revenues for the revenues derived from
20 taxes imposed on personal property pursuant to the provisions
21 of the "Revenue Act of 1939" or "An Act for the assessment and
22 taxation of private car line companies", approved July 22,
23 1943, as amended, or Section 414 of the Illinois Insurance
24 Code, prior to the abolition of such taxes and shall be used
25 for the same purposes as the revenues derived from ad valorem
26 taxes on real estate.

1 Monies received by any taxing districts from the Personal
2 Property Tax Replacement Fund shall be first applied toward
3 payment of the proportionate amount of debt service which was
4 previously levied and collected from extensions against
5 personal property on bonds outstanding as of December 31, 1978
6 and next applied toward payment of the proportionate share of
7 the pension or retirement obligations of the taxing district
8 which were previously levied and collected from extensions
9 against personal property. For each such outstanding bond
10 issue, the County Clerk shall determine the percentage of the
11 debt service which was collected from extensions against real
12 estate in the taxing district for 1978 taxes payable in 1979,
13 as related to the total amount of such levies and collections
14 from extensions against both real and personal property. For
15 1979 and subsequent years' taxes, the County Clerk shall levy
16 and extend taxes against the real estate of each taxing
17 district which will yield the said percentage or percentages of
18 the debt service on such outstanding bonds. The balance of the
19 amount necessary to fully pay such debt service shall
20 constitute a first and prior lien upon the monies received by
21 each such taxing district through the Personal Property Tax
22 Replacement Fund and shall be first applied or set aside for
23 such purpose. In counties having fewer than 3,000,000
24 inhabitants, the amendments to this paragraph as made by this
25 amendatory Act of 1980 shall be first applicable to 1980 taxes
26 to be collected in 1981.

1 (Source: P.A. 92-526, eff. 1-1-03.)

2 Section 5-45. The Illinois Income Tax Act is amended by
3 changing Sections 203 and 901 as follows:

4 (35 ILCS 5/203) (from Ch. 120, par. 2-203)

5 Sec. 203. Base income defined.

6 (a) Individuals.

7 (1) In general. In the case of an individual, base
8 income means an amount equal to the taxpayer's adjusted
9 gross income for the taxable year as modified by paragraph
10 (2).

11 (2) Modifications. The adjusted gross income referred
12 to in paragraph (1) shall be modified by adding thereto the
13 sum of the following amounts:

14 (A) An amount equal to all amounts paid or accrued
15 to the taxpayer as interest or dividends during the
16 taxable year to the extent excluded from gross income
17 in the computation of adjusted gross income, except
18 stock dividends of qualified public utilities
19 described in Section 305(e) of the Internal Revenue
20 Code;

21 (B) An amount equal to the amount of tax imposed by
22 this Act to the extent deducted from gross income in
23 the computation of adjusted gross income for the
24 taxable year;

1 (C) An amount equal to the amount received during
2 the taxable year as a recovery or refund of real
3 property taxes paid with respect to the taxpayer's
4 principal residence under the Revenue Act of 1939 and
5 for which a deduction was previously taken under
6 subparagraph (L) of this paragraph (2) prior to July 1,
7 1991, the retrospective application date of Article 4
8 of Public Act 87-17. In the case of multi-unit or
9 multi-use structures and farm dwellings, the taxes on
10 the taxpayer's principal residence shall be that
11 portion of the total taxes for the entire property
12 which is attributable to such principal residence;

13 (D) An amount equal to the amount of the capital
14 gain deduction allowable under the Internal Revenue
15 Code, to the extent deducted from gross income in the
16 computation of adjusted gross income;

17 (D-5) An amount, to the extent not included in
18 adjusted gross income, equal to the amount of money
19 withdrawn by the taxpayer in the taxable year from a
20 medical care savings account and the interest earned on
21 the account in the taxable year of a withdrawal
22 pursuant to subsection (b) of Section 20 of the Medical
23 Care Savings Account Act or subsection (b) of Section
24 20 of the Medical Care Savings Account Act of 2000;

25 (D-10) For taxable years ending after December 31,
26 1997, an amount equal to any eligible remediation costs

1 that the individual deducted in computing adjusted
2 gross income and for which the individual claims a
3 credit under subsection (l) of Section 201;

4 (D-15) For taxable years 2001 and thereafter, an
5 amount equal to the bonus depreciation deduction taken
6 on the taxpayer's federal income tax return for the
7 taxable year under subsection (k) of Section 168 of the
8 Internal Revenue Code;

9 (D-16) If the taxpayer sells, transfers, abandons,
10 or otherwise disposes of property for which the
11 taxpayer was required in any taxable year to make an
12 addition modification under subparagraph (D-15), then
13 an amount equal to the aggregate amount of the
14 deductions taken in all taxable years under
15 subparagraph (Z) with respect to that property.

16 If the taxpayer continues to own property through
17 the last day of the last tax year for which the
18 taxpayer may claim a depreciation deduction for
19 federal income tax purposes and for which the taxpayer
20 was allowed in any taxable year to make a subtraction
21 modification under subparagraph (Z), then an amount
22 equal to that subtraction modification.

23 The taxpayer is required to make the addition
24 modification under this subparagraph only once with
25 respect to any one piece of property;

26 (D-17) An amount equal to the amount otherwise

1 allowed as a deduction in computing base income for
2 interest paid, accrued, or incurred, directly or
3 indirectly, (i) for taxable years ending on or after
4 December 31, 2004, to a foreign person who would be a
5 member of the same unitary business group but for the
6 fact that foreign person's business activity outside
7 the United States is 80% or more of the foreign
8 person's total business activity and (ii) for taxable
9 years ending on or after December 31, 2008, to a person
10 who would be a member of the same unitary business
11 group but for the fact that the person is prohibited
12 under Section 1501(a)(27) from being included in the
13 unitary business group because he or she is ordinarily
14 required to apportion business income under different
15 subsections of Section 304. The addition modification
16 required by this subparagraph shall be reduced to the
17 extent that dividends were included in base income of
18 the unitary group for the same taxable year and
19 received by the taxpayer or by a member of the
20 taxpayer's unitary business group (including amounts
21 included in gross income under Sections 951 through 964
22 of the Internal Revenue Code and amounts included in
23 gross income under Section 78 of the Internal Revenue
24 Code) with respect to the stock of the same person to
25 whom the interest was paid, accrued, or incurred.

26 This paragraph shall not apply to the following:

1 (i) an item of interest paid, accrued, or
2 incurred, directly or indirectly, to a person who
3 is subject in a foreign country or state, other
4 than a state which requires mandatory unitary
5 reporting, to a tax on or measured by net income
6 with respect to such interest; or

7 (ii) an item of interest paid, accrued, or
8 incurred, directly or indirectly, to a person if
9 the taxpayer can establish, based on a
10 preponderance of the evidence, both of the
11 following:

12 (a) the person, during the same taxable
13 year, paid, accrued, or incurred, the interest
14 to a person that is not a related member, and

15 (b) the transaction giving rise to the
16 interest expense between the taxpayer and the
17 person did not have as a principal purpose the
18 avoidance of Illinois income tax, and is paid
19 pursuant to a contract or agreement that
20 reflects an arm's-length interest rate and
21 terms; or

22 (iii) the taxpayer can establish, based on
23 clear and convincing evidence, that the interest
24 paid, accrued, or incurred relates to a contract or
25 agreement entered into at arm's-length rates and
26 terms and the principal purpose for the payment is

1 not federal or Illinois tax avoidance; or

2 (iv) an item of interest paid, accrued, or
3 incurred, directly or indirectly, to a person if
4 the taxpayer establishes by clear and convincing
5 evidence that the adjustments are unreasonable; or
6 if the taxpayer and the Director agree in writing
7 to the application or use of an alternative method
8 of apportionment under Section 304(f).

9 Nothing in this subsection shall preclude the
10 Director from making any other adjustment
11 otherwise allowed under Section 404 of this Act for
12 any tax year beginning after the effective date of
13 this amendment provided such adjustment is made
14 pursuant to regulation adopted by the Department
15 and such regulations provide methods and standards
16 by which the Department will utilize its authority
17 under Section 404 of this Act;

18 (D-18) An amount equal to the amount of intangible
19 expenses and costs otherwise allowed as a deduction in
20 computing base income, and that were paid, accrued, or
21 incurred, directly or indirectly, (i) for taxable
22 years ending on or after December 31, 2004, to a
23 foreign person who would be a member of the same
24 unitary business group but for the fact that the
25 foreign person's business activity outside the United
26 States is 80% or more of that person's total business

1 activity and (ii) for taxable years ending on or after
2 December 31, 2008, to a person who would be a member of
3 the same unitary business group but for the fact that
4 the person is prohibited under Section 1501(a)(27)
5 from being included in the unitary business group
6 because he or she is ordinarily required to apportion
7 business income under different subsections of Section
8 304. The addition modification required by this
9 subparagraph shall be reduced to the extent that
10 dividends were included in base income of the unitary
11 group for the same taxable year and received by the
12 taxpayer or by a member of the taxpayer's unitary
13 business group (including amounts included in gross
14 income under Sections 951 through 964 of the Internal
15 Revenue Code and amounts included in gross income under
16 Section 78 of the Internal Revenue Code) with respect
17 to the stock of the same person to whom the intangible
18 expenses and costs were directly or indirectly paid,
19 incurred, or accrued. The preceding sentence does not
20 apply to the extent that the same dividends caused a
21 reduction to the addition modification required under
22 Section 203(a)(2)(D-17) of this Act. As used in this
23 subparagraph, the term "intangible expenses and costs"
24 includes (1) expenses, losses, and costs for, or
25 related to, the direct or indirect acquisition, use,
26 maintenance or management, ownership, sale, exchange,

1 or any other disposition of intangible property; (2)
2 losses incurred, directly or indirectly, from
3 factoring transactions or discounting transactions;
4 (3) royalty, patent, technical, and copyright fees;
5 (4) licensing fees; and (5) other similar expenses and
6 costs. For purposes of this subparagraph, "intangible
7 property" includes patents, patent applications, trade
8 names, trademarks, service marks, copyrights, mask
9 works, trade secrets, and similar types of intangible
10 assets.

11 This paragraph shall not apply to the following:

12 (i) any item of intangible expenses or costs
13 paid, accrued, or incurred, directly or
14 indirectly, from a transaction with a person who is
15 subject in a foreign country or state, other than a
16 state which requires mandatory unitary reporting,
17 to a tax on or measured by net income with respect
18 to such item; or

19 (ii) any item of intangible expense or cost
20 paid, accrued, or incurred, directly or
21 indirectly, if the taxpayer can establish, based
22 on a preponderance of the evidence, both of the
23 following:

24 (a) the person during the same taxable
25 year paid, accrued, or incurred, the
26 intangible expense or cost to a person that is

1 not a related member, and

2 (b) the transaction giving rise to the
3 intangible expense or cost between the
4 taxpayer and the person did not have as a
5 principal purpose the avoidance of Illinois
6 income tax, and is paid pursuant to a contract
7 or agreement that reflects arm's-length terms;
8 or

9 (iii) any item of intangible expense or cost
10 paid, accrued, or incurred, directly or
11 indirectly, from a transaction with a person if the
12 taxpayer establishes by clear and convincing
13 evidence, that the adjustments are unreasonable;
14 or if the taxpayer and the Director agree in
15 writing to the application or use of an alternative
16 method of apportionment under Section 304(f);

17 Nothing in this subsection shall preclude the
18 Director from making any other adjustment
19 otherwise allowed under Section 404 of this Act for
20 any tax year beginning after the effective date of
21 this amendment provided such adjustment is made
22 pursuant to regulation adopted by the Department
23 and such regulations provide methods and standards
24 by which the Department will utilize its authority
25 under Section 404 of this Act;

26 (D-19) For taxable years ending on or after

1 December 31, 2008, an amount equal to the amount of
2 insurance premium expenses and costs otherwise allowed
3 as a deduction in computing base income, and that were
4 paid, accrued, or incurred, directly or indirectly, to
5 a person who would be a member of the same unitary
6 business group but for the fact that the person is
7 prohibited under Section 1501(a)(27) from being
8 included in the unitary business group because he or
9 she is ordinarily required to apportion business
10 income under different subsections of Section 304. The
11 addition modification required by this subparagraph
12 shall be reduced to the extent that dividends were
13 included in base income of the unitary group for the
14 same taxable year and received by the taxpayer or by a
15 member of the taxpayer's unitary business group
16 (including amounts included in gross income under
17 Sections 951 through 964 of the Internal Revenue Code
18 and amounts included in gross income under Section 78
19 of the Internal Revenue Code) with respect to the stock
20 of the same person to whom the premiums and costs were
21 directly or indirectly paid, incurred, or accrued. The
22 preceding sentence does not apply to the extent that
23 the same dividends caused a reduction to the addition
24 modification required under Section 203(a)(2)(D-17) or
25 Section 203(a)(2)(D-18) of this Act.

26 (D-20) For taxable years beginning on or after

1 January 1, 2002 and ending on or before December 31,
2 2006, in the case of a distribution from a qualified
3 tuition program under Section 529 of the Internal
4 Revenue Code, other than (i) a distribution from a
5 College Savings Pool created under Section 16.5 of the
6 State Treasurer Act or (ii) a distribution from the
7 Illinois Prepaid Tuition Trust Fund, an amount equal to
8 the amount excluded from gross income under Section
9 529(c)(3)(B). For taxable years beginning on or after
10 January 1, 2007, in the case of a distribution from a
11 qualified tuition program under Section 529 of the
12 Internal Revenue Code, other than (i) a distribution
13 from a College Savings Pool created under Section 16.5
14 of the State Treasurer Act, (ii) a distribution from
15 the Illinois Prepaid Tuition Trust Fund, or (iii) a
16 distribution from a qualified tuition program under
17 Section 529 of the Internal Revenue Code that (I)
18 adopts and determines that its offering materials
19 comply with the College Savings Plans Network's
20 disclosure principles and (II) has made reasonable
21 efforts to inform in-state residents of the existence
22 of in-state qualified tuition programs by informing
23 Illinois residents directly and, where applicable, to
24 inform financial intermediaries distributing the
25 program to inform in-state residents of the existence
26 of in-state qualified tuition programs at least

1 annually, an amount equal to the amount excluded from
2 gross income under Section 529(c)(3)(B).

3 For the purposes of this subparagraph (D-20), a
4 qualified tuition program has made reasonable efforts
5 if it makes disclosures (which may use the term
6 "in-state program" or "in-state plan" and need not
7 specifically refer to Illinois or its qualified
8 programs by name) (i) directly to prospective
9 participants in its offering materials or makes a
10 public disclosure, such as a website posting; and (ii)
11 where applicable, to intermediaries selling the
12 out-of-state program in the same manner that the
13 out-of-state program distributes its offering
14 materials;

15 (D-21) For taxable years beginning on or after
16 January 1, 2007, in the case of transfer of moneys from
17 a qualified tuition program under Section 529 of the
18 Internal Revenue Code that is administered by the State
19 to an out-of-state program, an amount equal to the
20 amount of moneys previously deducted from base income
21 under subsection (a)(2)(Y) of this Section.

22 and by deducting from the total so obtained the sum of the
23 following amounts:

24 (E) For taxable years ending before December 31,
25 2001, any amount included in such total in respect of
26 any compensation (including but not limited to any

1 compensation paid or accrued to a serviceman while a
2 prisoner of war or missing in action) paid to a
3 resident by reason of being on active duty in the Armed
4 Forces of the United States and in respect of any
5 compensation paid or accrued to a resident who as a
6 governmental employee was a prisoner of war or missing
7 in action, and in respect of any compensation paid to a
8 resident in 1971 or thereafter for annual training
9 performed pursuant to Sections 502 and 503, Title 32,
10 United States Code as a member of the Illinois National
11 Guard or, beginning with taxable years ending on or
12 after December 31, 2007, the National Guard of any
13 other state. For taxable years ending on or after
14 December 31, 2001, any amount included in such total in
15 respect of any compensation (including but not limited
16 to any compensation paid or accrued to a serviceman
17 while a prisoner of war or missing in action) paid to a
18 resident by reason of being a member of any component
19 of the Armed Forces of the United States and in respect
20 of any compensation paid or accrued to a resident who
21 as a governmental employee was a prisoner of war or
22 missing in action, and in respect of any compensation
23 paid to a resident in 2001 or thereafter by reason of
24 being a member of the Illinois National Guard or,
25 beginning with taxable years ending on or after
26 December 31, 2007, the National Guard of any other

1 state. The provisions of this amendatory Act of the
2 92nd General Assembly are exempt from the provisions of
3 Section 250;

4 (F) An amount equal to all amounts included in such
5 total pursuant to the provisions of Sections 402(a),
6 402(c), 403(a), 403(b), 406(a), 407(a), and 408 of the
7 Internal Revenue Code, or included in such total as
8 distributions under the provisions of any retirement
9 or disability plan for employees of any governmental
10 agency or unit, or retirement payments to retired
11 partners, which payments are excluded in computing net
12 earnings from self employment by Section 1402 of the
13 Internal Revenue Code and regulations adopted pursuant
14 thereto;

15 (G) The valuation limitation amount;

16 (H) An amount equal to the amount of any tax
17 imposed by this Act which was refunded to the taxpayer
18 and included in such total for the taxable year;

19 (I) An amount equal to all amounts included in such
20 total pursuant to the provisions of Section 111 of the
21 Internal Revenue Code as a recovery of items previously
22 deducted from adjusted gross income in the computation
23 of taxable income;

24 (J) An amount equal to those dividends included in
25 such total which were paid by a corporation which
26 conducts business operations in an Enterprise Zone or

1 zones created under the Illinois Enterprise Zone Act or
2 a River Edge Redevelopment Zone or zones created under
3 the River Edge Redevelopment Zone Act, and conducts
4 substantially all of its operations in an Enterprise
5 Zone or zones or a River Edge Redevelopment Zone or
6 zones. This subparagraph (J) is exempt from the
7 provisions of Section 250;

8 (K) An amount equal to those dividends included in
9 such total that were paid by a corporation that
10 conducts business operations in a federally designated
11 Foreign Trade Zone or Sub-Zone and that is designated a
12 High Impact Business located in Illinois; provided
13 that dividends eligible for the deduction provided in
14 subparagraph (J) of paragraph (2) of this subsection
15 shall not be eligible for the deduction provided under
16 this subparagraph (K);

17 (L) For taxable years ending after December 31,
18 1983, an amount equal to all social security benefits
19 and railroad retirement benefits included in such
20 total pursuant to Sections 72(r) and 86 of the Internal
21 Revenue Code;

22 (M) With the exception of any amounts subtracted
23 under subparagraph (N), an amount equal to the sum of
24 all amounts disallowed as deductions by (i) Sections
25 171(a) (2), and 265(2) of the Internal Revenue Code of
26 1954, as now or hereafter amended, and all amounts of

1 expenses allocable to interest and disallowed as
2 deductions by Section 265(1) of the Internal Revenue
3 Code of 1954, as now or hereafter amended; and (ii) for
4 taxable years ending on or after August 13, 1999,
5 Sections 171(a)(2), 265, 280C, and 832(b)(5)(B)(i) of
6 the Internal Revenue Code; the provisions of this
7 subparagraph are exempt from the provisions of Section
8 250;

9 (N) An amount equal to all amounts included in such
10 total which are exempt from taxation by this State
11 either by reason of its statutes or Constitution or by
12 reason of the Constitution, treaties or statutes of the
13 United States; provided that, in the case of any
14 statute of this State that exempts income derived from
15 bonds or other obligations from the tax imposed under
16 this Act, the amount exempted shall be the interest net
17 of bond premium amortization;

18 (O) An amount equal to any contribution made to a
19 job training project established pursuant to the Tax
20 Increment Allocation Redevelopment Act;

21 (P) An amount equal to the amount of the deduction
22 used to compute the federal income tax credit for
23 restoration of substantial amounts held under claim of
24 right for the taxable year pursuant to Section 1341 of
25 the Internal Revenue Code of 1986;

26 (Q) An amount equal to any amounts included in such

1 total, received by the taxpayer as an acceleration in
2 the payment of life, endowment or annuity benefits in
3 advance of the time they would otherwise be payable as
4 an indemnity for a terminal illness;

5 (R) An amount equal to the amount of any federal or
6 State bonus paid to veterans of the Persian Gulf War;

7 (S) An amount, to the extent included in adjusted
8 gross income, equal to the amount of a contribution
9 made in the taxable year on behalf of the taxpayer to a
10 medical care savings account established under the
11 Medical Care Savings Account Act or the Medical Care
12 Savings Account Act of 2000 to the extent the
13 contribution is accepted by the account administrator
14 as provided in that Act;

15 (T) An amount, to the extent included in adjusted
16 gross income, equal to the amount of interest earned in
17 the taxable year on a medical care savings account
18 established under the Medical Care Savings Account Act
19 or the Medical Care Savings Account Act of 2000 on
20 behalf of the taxpayer, other than interest added
21 pursuant to item (D-5) of this paragraph (2);

22 (U) For one taxable year beginning on or after
23 January 1, 1994, an amount equal to the total amount of
24 tax imposed and paid under subsections (a) and (b) of
25 Section 201 of this Act on grant amounts received by
26 the taxpayer under the Nursing Home Grant Assistance

1 Act during the taxpayer's taxable years 1992 and 1993;

2 (V) Beginning with tax years ending on or after
3 December 31, 1995 and ending with tax years ending on
4 or before December 31, 2004, an amount equal to the
5 amount paid by a taxpayer who is a self-employed
6 taxpayer, a partner of a partnership, or a shareholder
7 in a Subchapter S corporation for health insurance or
8 long-term care insurance for that taxpayer or that
9 taxpayer's spouse or dependents, to the extent that the
10 amount paid for that health insurance or long-term care
11 insurance may be deducted under Section 213 of the
12 Internal Revenue Code of 1986, has not been deducted on
13 the federal income tax return of the taxpayer, and does
14 not exceed the taxable income attributable to that
15 taxpayer's income, self-employment income, or
16 Subchapter S corporation income; except that no
17 deduction shall be allowed under this item (V) if the
18 taxpayer is eligible to participate in any health
19 insurance or long-term care insurance plan of an
20 employer of the taxpayer or the taxpayer's spouse. The
21 amount of the health insurance and long-term care
22 insurance subtracted under this item (V) shall be
23 determined by multiplying total health insurance and
24 long-term care insurance premiums paid by the taxpayer
25 times a number that represents the fractional
26 percentage of eligible medical expenses under Section

1 213 of the Internal Revenue Code of 1986 not actually
2 deducted on the taxpayer's federal income tax return;

3 (W) For taxable years beginning on or after January
4 1, 1998, all amounts included in the taxpayer's federal
5 gross income in the taxable year from amounts converted
6 from a regular IRA to a Roth IRA. This paragraph is
7 exempt from the provisions of Section 250;

8 (X) For taxable year 1999 and thereafter, an amount
9 equal to the amount of any (i) distributions, to the
10 extent includible in gross income for federal income
11 tax purposes, made to the taxpayer because of his or
12 her status as a victim of persecution for racial or
13 religious reasons by Nazi Germany or any other Axis
14 regime or as an heir of the victim and (ii) items of
15 income, to the extent includible in gross income for
16 federal income tax purposes, attributable to, derived
17 from or in any way related to assets stolen from,
18 hidden from, or otherwise lost to a victim of
19 persecution for racial or religious reasons by Nazi
20 Germany or any other Axis regime immediately prior to,
21 during, and immediately after World War II, including,
22 but not limited to, interest on the proceeds receivable
23 as insurance under policies issued to a victim of
24 persecution for racial or religious reasons by Nazi
25 Germany or any other Axis regime by European insurance
26 companies immediately prior to and during World War II;

1 provided, however, this subtraction from federal
2 adjusted gross income does not apply to assets acquired
3 with such assets or with the proceeds from the sale of
4 such assets; provided, further, this paragraph shall
5 only apply to a taxpayer who was the first recipient of
6 such assets after their recovery and who is a victim of
7 persecution for racial or religious reasons by Nazi
8 Germany or any other Axis regime or as an heir of the
9 victim. The amount of and the eligibility for any
10 public assistance, benefit, or similar entitlement is
11 not affected by the inclusion of items (i) and (ii) of
12 this paragraph in gross income for federal income tax
13 purposes. This paragraph is exempt from the provisions
14 of Section 250;

15 (Y) For taxable years beginning on or after January
16 1, 2002 and ending on or before December 31, 2004,
17 moneys contributed in the taxable year to a College
18 Savings Pool account under Section 16.5 of the State
19 Treasurer Act, except that amounts excluded from gross
20 income under Section 529(c)(3)(C)(i) of the Internal
21 Revenue Code shall not be considered moneys
22 contributed under this subparagraph (Y). For taxable
23 years beginning on or after January 1, 2005, a maximum
24 of \$10,000 contributed in the taxable year to (i) a
25 College Savings Pool account under Section 16.5 of the
26 State Treasurer Act or (ii) the Illinois Prepaid

1 Tuition Trust Fund, except that amounts excluded from
2 gross income under Section 529(c)(3)(C)(i) of the
3 Internal Revenue Code shall not be considered moneys
4 contributed under this subparagraph (Y). This
5 subparagraph (Y) is exempt from the provisions of
6 Section 250;

7 (Z) For taxable years 2001 and thereafter, for the
8 taxable year in which the bonus depreciation deduction
9 is taken on the taxpayer's federal income tax return
10 under subsection (k) of Section 168 of the Internal
11 Revenue Code and for each applicable taxable year
12 thereafter, an amount equal to "x", where:

13 (1) "y" equals the amount of the depreciation
14 deduction taken for the taxable year on the
15 taxpayer's federal income tax return on property
16 for which the bonus depreciation deduction was
17 taken in any year under subsection (k) of Section
18 168 of the Internal Revenue Code, but not including
19 the bonus depreciation deduction;

20 (2) for taxable years ending on or before
21 December 31, 2005, "x" equals "y" multiplied by 30
22 and then divided by 70 (or "y" multiplied by
23 0.429); and

24 (3) for taxable years ending after December
25 31, 2005:

26 (i) for property on which a bonus

1 depreciation deduction of 30% of the adjusted
2 basis was taken, "x" equals "y" multiplied by
3 30 and then divided by 70 (or "y" multiplied by
4 0.429); and

5 (ii) for property on which a bonus
6 depreciation deduction of 50% of the adjusted
7 basis was taken, "x" equals "y" multiplied by
8 1.0.

9 The aggregate amount deducted under this
10 subparagraph in all taxable years for any one piece of
11 property may not exceed the amount of the bonus
12 depreciation deduction taken on that property on the
13 taxpayer's federal income tax return under subsection
14 (k) of Section 168 of the Internal Revenue Code. This
15 subparagraph (Z) is exempt from the provisions of
16 Section 250;

17 (AA) If the taxpayer sells, transfers, abandons,
18 or otherwise disposes of property for which the
19 taxpayer was required in any taxable year to make an
20 addition modification under subparagraph (D-15), then
21 an amount equal to that addition modification.

22 If the taxpayer continues to own property through
23 the last day of the last tax year for which the
24 taxpayer may claim a depreciation deduction for
25 federal income tax purposes and for which the taxpayer
26 was required in any taxable year to make an addition

1 modification under subparagraph (D-15), then an amount
2 equal to that addition modification.

3 The taxpayer is allowed to take the deduction under
4 this subparagraph only once with respect to any one
5 piece of property.

6 This subparagraph (AA) is exempt from the
7 provisions of Section 250;

8 (BB) Any amount included in adjusted gross income,
9 other than salary, received by a driver in a
10 ridesharing arrangement using a motor vehicle;

11 (CC) The amount of (i) any interest income (net of
12 the deductions allocable thereto) taken into account
13 for the taxable year with respect to a transaction with
14 a taxpayer that is required to make an addition
15 modification with respect to such transaction under
16 Section 203(a)(2)(D-17), 203(b)(2)(E-12),
17 203(c)(2)(G-12), or 203(d)(2)(D-7), but not to exceed
18 the amount of that addition modification, and (ii) any
19 income from intangible property (net of the deductions
20 allocable thereto) taken into account for the taxable
21 year with respect to a transaction with a taxpayer that
22 is required to make an addition modification with
23 respect to such transaction under Section
24 203(a)(2)(D-18), 203(b)(2)(E-13), 203(c)(2)(G-13), or
25 203(d)(2)(D-8), but not to exceed the amount of that
26 addition modification. This subparagraph (CC) is

1 exempt from the provisions of Section 250;

2 (DD) An amount equal to the interest income taken
3 into account for the taxable year (net of the
4 deductions allocable thereto) with respect to
5 transactions with (i) a foreign person who would be a
6 member of the taxpayer's unitary business group but for
7 the fact that the foreign person's business activity
8 outside the United States is 80% or more of that
9 person's total business activity and (ii) for taxable
10 years ending on or after December 31, 2008, to a person
11 who would be a member of the same unitary business
12 group but for the fact that the person is prohibited
13 under Section 1501(a)(27) from being included in the
14 unitary business group because he or she is ordinarily
15 required to apportion business income under different
16 subsections of Section 304, but not to exceed the
17 addition modification required to be made for the same
18 taxable year under Section 203(a)(2)(D-17) for
19 interest paid, accrued, or incurred, directly or
20 indirectly, to the same person. This subparagraph (DD)
21 is exempt from the provisions of Section 250; and

22 (EE) An amount equal to the income from intangible
23 property taken into account for the taxable year (net
24 of the deductions allocable thereto) with respect to
25 transactions with (i) a foreign person who would be a
26 member of the taxpayer's unitary business group but for

1 the fact that the foreign person's business activity
2 outside the United States is 80% or more of that
3 person's total business activity and (ii) for taxable
4 years ending on or after December 31, 2008, to a person
5 who would be a member of the same unitary business
6 group but for the fact that the person is prohibited
7 under Section 1501(a)(27) from being included in the
8 unitary business group because he or she is ordinarily
9 required to apportion business income under different
10 subsections of Section 304, but not to exceed the
11 addition modification required to be made for the same
12 taxable year under Section 203(a)(2)(D-18) for
13 intangible expenses and costs paid, accrued, or
14 incurred, directly or indirectly, to the same foreign
15 person. This subparagraph (EE) is exempt from the
16 provisions of Section 250.

17 (b) Corporations.

18 (1) In general. In the case of a corporation, base
19 income means an amount equal to the taxpayer's taxable
20 income for the taxable year as modified by paragraph (2).

21 (2) Modifications. The taxable income referred to in
22 paragraph (1) shall be modified by adding thereto the sum
23 of the following amounts:

24 (A) An amount equal to all amounts paid or accrued
25 to the taxpayer as interest and all distributions

1 received from regulated investment companies during
2 the taxable year to the extent excluded from gross
3 income in the computation of taxable income;

4 (B) An amount equal to the amount of tax imposed by
5 this Act to the extent deducted from gross income in
6 the computation of taxable income for the taxable year;

7 (C) In the case of a regulated investment company,
8 an amount equal to the excess of (i) the net long-term
9 capital gain for the taxable year, over (ii) the amount
10 of the capital gain dividends designated as such in
11 accordance with Section 852(b)(3)(C) of the Internal
12 Revenue Code and any amount designated under Section
13 852(b)(3)(D) of the Internal Revenue Code,
14 attributable to the taxable year (this amendatory Act
15 of 1995 (Public Act 89-89) is declarative of existing
16 law and is not a new enactment);

17 (D) The amount of any net operating loss deduction
18 taken in arriving at taxable income, other than a net
19 operating loss carried forward from a taxable year
20 ending prior to December 31, 1986;

21 (E) For taxable years in which a net operating loss
22 carryback or carryforward from a taxable year ending
23 prior to December 31, 1986 is an element of taxable
24 income under paragraph (1) of subsection (e) or
25 subparagraph (E) of paragraph (2) of subsection (e),
26 the amount by which addition modifications other than

1 those provided by this subparagraph (E) exceeded
2 subtraction modifications in such earlier taxable
3 year, with the following limitations applied in the
4 order that they are listed:

5 (i) the addition modification relating to the
6 net operating loss carried back or forward to the
7 taxable year from any taxable year ending prior to
8 December 31, 1986 shall be reduced by the amount of
9 addition modification under this subparagraph (E)
10 which related to that net operating loss and which
11 was taken into account in calculating the base
12 income of an earlier taxable year, and

13 (ii) the addition modification relating to the
14 net operating loss carried back or forward to the
15 taxable year from any taxable year ending prior to
16 December 31, 1986 shall not exceed the amount of
17 such carryback or carryforward;

18 For taxable years in which there is a net operating
19 loss carryback or carryforward from more than one other
20 taxable year ending prior to December 31, 1986, the
21 addition modification provided in this subparagraph
22 (E) shall be the sum of the amounts computed
23 independently under the preceding provisions of this
24 subparagraph (E) for each such taxable year;

25 (E-5) For taxable years ending after December 31,
26 1997, an amount equal to any eligible remediation costs

1 that the corporation deducted in computing adjusted
2 gross income and for which the corporation claims a
3 credit under subsection (l) of Section 201;

4 (E-10) For taxable years 2001 and thereafter, an
5 amount equal to the bonus depreciation deduction taken
6 on the taxpayer's federal income tax return for the
7 taxable year under subsection (k) of Section 168 of the
8 Internal Revenue Code;

9 (E-11) If the taxpayer sells, transfers, abandons,
10 or otherwise disposes of property for which the
11 taxpayer was required in any taxable year to make an
12 addition modification under subparagraph (E-10), then
13 an amount equal to the aggregate amount of the
14 deductions taken in all taxable years under
15 subparagraph (T) with respect to that property.

16 If the taxpayer continues to own property through
17 the last day of the last tax year for which the
18 taxpayer may claim a depreciation deduction for
19 federal income tax purposes and for which the taxpayer
20 was allowed in any taxable year to make a subtraction
21 modification under subparagraph (T), then an amount
22 equal to that subtraction modification.

23 The taxpayer is required to make the addition
24 modification under this subparagraph only once with
25 respect to any one piece of property;

26 (E-12) An amount equal to the amount otherwise

1 allowed as a deduction in computing base income for
2 interest paid, accrued, or incurred, directly or
3 indirectly, (i) for taxable years ending on or after
4 December 31, 2004, to a foreign person who would be a
5 member of the same unitary business group but for the
6 fact the foreign person's business activity outside
7 the United States is 80% or more of the foreign
8 person's total business activity and (ii) for taxable
9 years ending on or after December 31, 2008, to a person
10 who would be a member of the same unitary business
11 group but for the fact that the person is prohibited
12 under Section 1501(a)(27) from being included in the
13 unitary business group because he or she is ordinarily
14 required to apportion business income under different
15 subsections of Section 304. The addition modification
16 required by this subparagraph shall be reduced to the
17 extent that dividends were included in base income of
18 the unitary group for the same taxable year and
19 received by the taxpayer or by a member of the
20 taxpayer's unitary business group (including amounts
21 included in gross income pursuant to Sections 951
22 through 964 of the Internal Revenue Code and amounts
23 included in gross income under Section 78 of the
24 Internal Revenue Code) with respect to the stock of the
25 same person to whom the interest was paid, accrued, or
26 incurred.

1 This paragraph shall not apply to the following:

2 (i) an item of interest paid, accrued, or
3 incurred, directly or indirectly, to a person who
4 is subject in a foreign country or state, other
5 than a state which requires mandatory unitary
6 reporting, to a tax on or measured by net income
7 with respect to such interest; or

8 (ii) an item of interest paid, accrued, or
9 incurred, directly or indirectly, to a person if
10 the taxpayer can establish, based on a
11 preponderance of the evidence, both of the
12 following:

13 (a) the person, during the same taxable
14 year, paid, accrued, or incurred, the interest
15 to a person that is not a related member, and

16 (b) the transaction giving rise to the
17 interest expense between the taxpayer and the
18 person did not have as a principal purpose the
19 avoidance of Illinois income tax, and is paid
20 pursuant to a contract or agreement that
21 reflects an arm's-length interest rate and
22 terms; or

23 (iii) the taxpayer can establish, based on
24 clear and convincing evidence, that the interest
25 paid, accrued, or incurred relates to a contract or
26 agreement entered into at arm's-length rates and

1 terms and the principal purpose for the payment is
2 not federal or Illinois tax avoidance; or

3 (iv) an item of interest paid, accrued, or
4 incurred, directly or indirectly, to a person if
5 the taxpayer establishes by clear and convincing
6 evidence that the adjustments are unreasonable; or
7 if the taxpayer and the Director agree in writing
8 to the application or use of an alternative method
9 of apportionment under Section 304(f).

10 Nothing in this subsection shall preclude the
11 Director from making any other adjustment
12 otherwise allowed under Section 404 of this Act for
13 any tax year beginning after the effective date of
14 this amendment provided such adjustment is made
15 pursuant to regulation adopted by the Department
16 and such regulations provide methods and standards
17 by which the Department will utilize its authority
18 under Section 404 of this Act;

19 (E-13) An amount equal to the amount of intangible
20 expenses and costs otherwise allowed as a deduction in
21 computing base income, and that were paid, accrued, or
22 incurred, directly or indirectly, (i) for taxable
23 years ending on or after December 31, 2004, to a
24 foreign person who would be a member of the same
25 unitary business group but for the fact that the
26 foreign person's business activity outside the United

1 States is 80% or more of that person's total business
2 activity and (ii) for taxable years ending on or after
3 December 31, 2008, to a person who would be a member of
4 the same unitary business group but for the fact that
5 the person is prohibited under Section 1501(a)(27)
6 from being included in the unitary business group
7 because he or she is ordinarily required to apportion
8 business income under different subsections of Section
9 304. The addition modification required by this
10 subparagraph shall be reduced to the extent that
11 dividends were included in base income of the unitary
12 group for the same taxable year and received by the
13 taxpayer or by a member of the taxpayer's unitary
14 business group (including amounts included in gross
15 income pursuant to Sections 951 through 964 of the
16 Internal Revenue Code and amounts included in gross
17 income under Section 78 of the Internal Revenue Code)
18 with respect to the stock of the same person to whom
19 the intangible expenses and costs were directly or
20 indirectly paid, incurred, or accrued. The preceding
21 sentence shall not apply to the extent that the same
22 dividends caused a reduction to the addition
23 modification required under Section 203(b)(2)(E-12) of
24 this Act. As used in this subparagraph, the term
25 "intangible expenses and costs" includes (1) expenses,
26 losses, and costs for, or related to, the direct or

1 indirect acquisition, use, maintenance or management,
2 ownership, sale, exchange, or any other disposition of
3 intangible property; (2) losses incurred, directly or
4 indirectly, from factoring transactions or discounting
5 transactions; (3) royalty, patent, technical, and
6 copyright fees; (4) licensing fees; and (5) other
7 similar expenses and costs. For purposes of this
8 subparagraph, "intangible property" includes patents,
9 patent applications, trade names, trademarks, service
10 marks, copyrights, mask works, trade secrets, and
11 similar types of intangible assets.

12 This paragraph shall not apply to the following:

13 (i) any item of intangible expenses or costs
14 paid, accrued, or incurred, directly or
15 indirectly, from a transaction with a person who is
16 subject in a foreign country or state, other than a
17 state which requires mandatory unitary reporting,
18 to a tax on or measured by net income with respect
19 to such item; or

20 (ii) any item of intangible expense or cost
21 paid, accrued, or incurred, directly or
22 indirectly, if the taxpayer can establish, based
23 on a preponderance of the evidence, both of the
24 following:

25 (a) the person during the same taxable
26 year paid, accrued, or incurred, the

1 intangible expense or cost to a person that is
2 not a related member, and

3 (b) the transaction giving rise to the
4 intangible expense or cost between the
5 taxpayer and the person did not have as a
6 principal purpose the avoidance of Illinois
7 income tax, and is paid pursuant to a contract
8 or agreement that reflects arm's-length terms;
9 or

10 (iii) any item of intangible expense or cost
11 paid, accrued, or incurred, directly or
12 indirectly, from a transaction with a person if the
13 taxpayer establishes by clear and convincing
14 evidence, that the adjustments are unreasonable;
15 or if the taxpayer and the Director agree in
16 writing to the application or use of an alternative
17 method of apportionment under Section 304(f);

18 Nothing in this subsection shall preclude the
19 Director from making any other adjustment
20 otherwise allowed under Section 404 of this Act for
21 any tax year beginning after the effective date of
22 this amendment provided such adjustment is made
23 pursuant to regulation adopted by the Department
24 and such regulations provide methods and standards
25 by which the Department will utilize its authority
26 under Section 404 of this Act;

1 (E-14) For taxable years ending on or after
2 December 31, 2008, an amount equal to the amount of
3 insurance premium expenses and costs otherwise allowed
4 as a deduction in computing base income, and that were
5 paid, accrued, or incurred, directly or indirectly, to
6 a person who would be a member of the same unitary
7 business group but for the fact that the person is
8 prohibited under Section 1501(a)(27) from being
9 included in the unitary business group because he or
10 she is ordinarily required to apportion business
11 income under different subsections of Section 304. The
12 addition modification required by this subparagraph
13 shall be reduced to the extent that dividends were
14 included in base income of the unitary group for the
15 same taxable year and received by the taxpayer or by a
16 member of the taxpayer's unitary business group
17 (including amounts included in gross income under
18 Sections 951 through 964 of the Internal Revenue Code
19 and amounts included in gross income under Section 78
20 of the Internal Revenue Code) with respect to the stock
21 of the same person to whom the premiums and costs were
22 directly or indirectly paid, incurred, or accrued. The
23 preceding sentence does not apply to the extent that
24 the same dividends caused a reduction to the addition
25 modification required under Section 203(b)(2)(E-12) or
26 Section 203(b)(2)(E-13) of this Act;

1 (E-15) For taxable years beginning after December
2 31, 2008, any deduction for dividends paid by a captive
3 real estate investment trust that is allowed to a real
4 estate investment trust under Section 857(b)(2)(B) of
5 the Internal Revenue Code for dividends paid;
6 and by deducting from the total so obtained the sum of the
7 following amounts:

8 (F) An amount equal to the amount of any tax
9 imposed by this Act which was refunded to the taxpayer
10 and included in such total for the taxable year;

11 (G) An amount equal to any amount included in such
12 total under Section 78 of the Internal Revenue Code;

13 (H) In the case of a regulated investment company,
14 an amount equal to the amount of exempt interest
15 dividends as defined in subsection (b) (5) of Section
16 852 of the Internal Revenue Code, paid to shareholders
17 for the taxable year;

18 (I) With the exception of any amounts subtracted
19 under subparagraph (J), an amount equal to the sum of
20 all amounts disallowed as deductions by (i) Sections
21 171(a) (2), and 265(a)(2) and amounts disallowed as
22 interest expense by Section 291(a)(3) of the Internal
23 Revenue Code, as now or hereafter amended, and all
24 amounts of expenses allocable to interest and
25 disallowed as deductions by Section 265(a)(1) of the
26 Internal Revenue Code, as now or hereafter amended; and

1 (ii) for taxable years ending on or after August 13,
2 1999, Sections 171(a)(2), 265, 280C, 291(a)(3), and
3 832(b)(5)(B)(i) of the Internal Revenue Code; the
4 provisions of this subparagraph are exempt from the
5 provisions of Section 250;

6 (J) An amount equal to all amounts included in such
7 total which are exempt from taxation by this State
8 either by reason of its statutes or Constitution or by
9 reason of the Constitution, treaties or statutes of the
10 United States; provided that, in the case of any
11 statute of this State that exempts income derived from
12 bonds or other obligations from the tax imposed under
13 this Act, the amount exempted shall be the interest net
14 of bond premium amortization;

15 (K) An amount equal to those dividends included in
16 such total which were paid by a corporation which
17 conducts business operations in an Enterprise Zone or
18 zones created under the Illinois Enterprise Zone Act or
19 a River Edge Redevelopment Zone or zones created under
20 the River Edge Redevelopment Zone Act and conducts
21 substantially all of its operations in an Enterprise
22 Zone or zones or a River Edge Redevelopment Zone or
23 zones. This subparagraph (K) is exempt from the
24 provisions of Section 250;

25 (L) An amount equal to those dividends included in
26 such total that were paid by a corporation that

1 conducts business operations in a federally designated
2 Foreign Trade Zone or Sub-Zone and that is designated a
3 High Impact Business located in Illinois; provided
4 that dividends eligible for the deduction provided in
5 subparagraph (K) of paragraph 2 of this subsection
6 shall not be eligible for the deduction provided under
7 this subparagraph (L);

8 (M) For any taxpayer that is a financial
9 organization within the meaning of Section 304(c) of
10 this Act, an amount included in such total as interest
11 income from a loan or loans made by such taxpayer to a
12 borrower, to the extent that such a loan is secured by
13 property which is eligible for the Enterprise Zone
14 Investment Credit or the River Edge Redevelopment Zone
15 Investment Credit. To determine the portion of a loan
16 or loans that is secured by property eligible for a
17 Section 201(f) investment credit to the borrower, the
18 entire principal amount of the loan or loans between
19 the taxpayer and the borrower should be divided into
20 the basis of the Section 201(f) investment credit
21 property which secures the loan or loans, using for
22 this purpose the original basis of such property on the
23 date that it was placed in service in the Enterprise
24 Zone or the River Edge Redevelopment Zone. The
25 subtraction modification available to taxpayer in any
26 year under this subsection shall be that portion of the

1 total interest paid by the borrower with respect to
2 such loan attributable to the eligible property as
3 calculated under the previous sentence. This
4 subparagraph (M) is exempt from the provisions of
5 Section 250;

6 (M-1) For any taxpayer that is a financial
7 organization within the meaning of Section 304(c) of
8 this Act, an amount included in such total as interest
9 income from a loan or loans made by such taxpayer to a
10 borrower, to the extent that such a loan is secured by
11 property which is eligible for the High Impact Business
12 Investment Credit. To determine the portion of a loan
13 or loans that is secured by property eligible for a
14 Section 201(h) investment credit to the borrower, the
15 entire principal amount of the loan or loans between
16 the taxpayer and the borrower should be divided into
17 the basis of the Section 201(h) investment credit
18 property which secures the loan or loans, using for
19 this purpose the original basis of such property on the
20 date that it was placed in service in a federally
21 designated Foreign Trade Zone or Sub-Zone located in
22 Illinois. No taxpayer that is eligible for the
23 deduction provided in subparagraph (M) of paragraph
24 (2) of this subsection shall be eligible for the
25 deduction provided under this subparagraph (M-1). The
26 subtraction modification available to taxpayers in any

1 year under this subsection shall be that portion of the
2 total interest paid by the borrower with respect to
3 such loan attributable to the eligible property as
4 calculated under the previous sentence;

5 (N) Two times any contribution made during the
6 taxable year to a designated zone organization to the
7 extent that the contribution (i) qualifies as a
8 charitable contribution under subsection (c) of
9 Section 170 of the Internal Revenue Code and (ii) must,
10 by its terms, be used for a project approved by the
11 Department of Commerce and Economic Opportunity under
12 Section 11 of the Illinois Enterprise Zone Act or under
13 Section 10-10 of the River Edge Redevelopment Zone Act.
14 This subparagraph (N) is exempt from the provisions of
15 Section 250;

16 (O) An amount equal to: (i) 85% for taxable years
17 ending on or before December 31, 1992, or, a percentage
18 equal to the percentage allowable under Section
19 243(a)(1) of the Internal Revenue Code of 1986 for
20 taxable years ending after December 31, 1992, of the
21 amount by which dividends included in taxable income
22 and received from a corporation that is not created or
23 organized under the laws of the United States or any
24 state or political subdivision thereof, including, for
25 taxable years ending on or after December 31, 1988,
26 dividends received or deemed received or paid or deemed

1 paid under Sections 951 through 964 of the Internal
2 Revenue Code, exceed the amount of the modification
3 provided under subparagraph (G) of paragraph (2) of
4 this subsection (b) which is related to such dividends,
5 and including, for taxable years ending on or after
6 December 31, 2008, dividends received from a captive
7 real estate investment trust; plus (ii) 100% of the
8 amount by which dividends, included in taxable income
9 and received, including, for taxable years ending on or
10 after December 31, 1988, dividends received or deemed
11 received or paid or deemed paid under Sections 951
12 through 964 of the Internal Revenue Code and including,
13 for taxable years ending on or after December 31, 2008,
14 dividends received from a captive real estate
15 investment trust, from any such corporation specified
16 in clause (i) that would but for the provisions of
17 Section 1504 (b) (3) of the Internal Revenue Code be
18 treated as a member of the affiliated group which
19 includes the dividend recipient, exceed the amount of
20 the modification provided under subparagraph (G) of
21 paragraph (2) of this subsection (b) which is related
22 to such dividends. This subparagraph (O) is exempt from
23 the provisions of Section 250 of this Act;

24 (P) An amount equal to any contribution made to a
25 job training project established pursuant to the Tax
26 Increment Allocation Redevelopment Act;

1 (Q) An amount equal to the amount of the deduction
2 used to compute the federal income tax credit for
3 restoration of substantial amounts held under claim of
4 right for the taxable year pursuant to Section 1341 of
5 the Internal Revenue Code of 1986;

6 (R) On and after July 20, 1999, in the case of an
7 attorney-in-fact with respect to whom an interinsurer
8 or a reciprocal insurer has made the election under
9 Section 835 of the Internal Revenue Code, 26 U.S.C.
10 835, an amount equal to the excess, if any, of the
11 amounts paid or incurred by that interinsurer or
12 reciprocal insurer in the taxable year to the
13 attorney-in-fact over the deduction allowed to that
14 interinsurer or reciprocal insurer with respect to the
15 attorney-in-fact under Section 835(b) of the Internal
16 Revenue Code for the taxable year; the provisions of
17 this subparagraph are exempt from the provisions of
18 Section 250;

19 (S) For taxable years ending on or after December
20 31, 1997, in the case of a Subchapter S corporation, an
21 amount equal to all amounts of income allocable to a
22 shareholder subject to the Personal Property Tax
23 Replacement Income Tax imposed by subsections (c) and
24 (d) of Section 201 of this Act, including amounts
25 allocable to organizations exempt from federal income
26 tax by reason of Section 501(a) of the Internal Revenue

1 Code. This subparagraph (S) is exempt from the
2 provisions of Section 250;

3 (T) For taxable years 2001 and thereafter, for the
4 taxable year in which the bonus depreciation deduction
5 is taken on the taxpayer's federal income tax return
6 under subsection (k) of Section 168 of the Internal
7 Revenue Code and for each applicable taxable year
8 thereafter, an amount equal to "x", where:

9 (1) "y" equals the amount of the depreciation
10 deduction taken for the taxable year on the
11 taxpayer's federal income tax return on property
12 for which the bonus depreciation deduction was
13 taken in any year under subsection (k) of Section
14 168 of the Internal Revenue Code, but not including
15 the bonus depreciation deduction;

16 (2) for taxable years ending on or before
17 December 31, 2005, "x" equals "y" multiplied by 30
18 and then divided by 70 (or "y" multiplied by
19 0.429); and

20 (3) for taxable years ending after December
21 31, 2005:

22 (i) for property on which a bonus
23 depreciation deduction of 30% of the adjusted
24 basis was taken, "x" equals "y" multiplied by
25 30 and then divided by 70 (or "y" multiplied by
26 0.429); and

1 (ii) for property on which a bonus
2 depreciation deduction of 50% of the adjusted
3 basis was taken, "x" equals "y" multiplied by
4 1.0.

5 The aggregate amount deducted under this
6 subparagraph in all taxable years for any one piece of
7 property may not exceed the amount of the bonus
8 depreciation deduction taken on that property on the
9 taxpayer's federal income tax return under subsection
10 (k) of Section 168 of the Internal Revenue Code. This
11 subparagraph (T) is exempt from the provisions of
12 Section 250;

13 (U) If the taxpayer sells, transfers, abandons, or
14 otherwise disposes of property for which the taxpayer
15 was required in any taxable year to make an addition
16 modification under subparagraph (E-10), then an amount
17 equal to that addition modification.

18 If the taxpayer continues to own property through
19 the last day of the last tax year for which the
20 taxpayer may claim a depreciation deduction for
21 federal income tax purposes and for which the taxpayer
22 was required in any taxable year to make an addition
23 modification under subparagraph (E-10), then an amount
24 equal to that addition modification.

25 The taxpayer is allowed to take the deduction under
26 this subparagraph only once with respect to any one

1 piece of property.

2 This subparagraph (U) is exempt from the
3 provisions of Section 250;

4 (V) The amount of: (i) any interest income (net of
5 the deductions allocable thereto) taken into account
6 for the taxable year with respect to a transaction with
7 a taxpayer that is required to make an addition
8 modification with respect to such transaction under
9 Section 203(a)(2)(D-17), 203(b)(2)(E-12),
10 203(c)(2)(G-12), or 203(d)(2)(D-7), but not to exceed
11 the amount of such addition modification, (ii) any
12 income from intangible property (net of the deductions
13 allocable thereto) taken into account for the taxable
14 year with respect to a transaction with a taxpayer that
15 is required to make an addition modification with
16 respect to such transaction under Section
17 203(a)(2)(D-18), 203(b)(2)(E-13), 203(c)(2)(G-13), or
18 203(d)(2)(D-8), but not to exceed the amount of such
19 addition modification, and (iii) any insurance premium
20 income (net of deductions allocable thereto) taken
21 into account for the taxable year with respect to a
22 transaction with a taxpayer that is required to make an
23 addition modification with respect to such transaction
24 under Section 203(a)(2)(D-19), Section
25 203(b)(2)(E-14), Section 203(c)(2)(G-14), or Section
26 203(d)(2)(D-9), but not to exceed the amount of that

1 addition modification. This subparagraph (V) is exempt
2 from the provisions of Section 250;

3 (W) An amount equal to the interest income taken
4 into account for the taxable year (net of the
5 deductions allocable thereto) with respect to
6 transactions with (i) a foreign person who would be a
7 member of the taxpayer's unitary business group but for
8 the fact that the foreign person's business activity
9 outside the United States is 80% or more of that
10 person's total business activity and (ii) for taxable
11 years ending on or after December 31, 2008, to a person
12 who would be a member of the same unitary business
13 group but for the fact that the person is prohibited
14 under Section 1501(a)(27) from being included in the
15 unitary business group because he or she is ordinarily
16 required to apportion business income under different
17 subsections of Section 304, but not to exceed the
18 addition modification required to be made for the same
19 taxable year under Section 203(b)(2)(E-12) for
20 interest paid, accrued, or incurred, directly or
21 indirectly, to the same person. This subparagraph (W)
22 is exempt from the provisions of Section 250; and

23 (X) An amount equal to the income from intangible
24 property taken into account for the taxable year (net
25 of the deductions allocable thereto) with respect to
26 transactions with (i) a foreign person who would be a

1 member of the taxpayer's unitary business group but for
2 the fact that the foreign person's business activity
3 outside the United States is 80% or more of that
4 person's total business activity and (ii) for taxable
5 years ending on or after December 31, 2008, to a person
6 who would be a member of the same unitary business
7 group but for the fact that the person is prohibited
8 under Section 1501(a)(27) from being included in the
9 unitary business group because he or she is ordinarily
10 required to apportion business income under different
11 subsections of Section 304, but not to exceed the
12 addition modification required to be made for the same
13 taxable year under Section 203(b)(2)(E-13) for
14 intangible expenses and costs paid, accrued, or
15 incurred, directly or indirectly, to the same foreign
16 person. This subparagraph (X) is exempt from the
17 provisions of Section 250. ~~(Y)~~

18 (3) Special rule. For purposes of paragraph (2) (A),
19 "gross income" in the case of a life insurance company, for
20 tax years ending on and after December 31, 1994, shall mean
21 the gross investment income for the taxable year.

22 (c) Trusts and estates.

23 (1) In general. In the case of a trust or estate, base
24 income means an amount equal to the taxpayer's taxable
25 income for the taxable year as modified by paragraph (2).

1 (2) Modifications. Subject to the provisions of
2 paragraph (3), the taxable income referred to in paragraph
3 (1) shall be modified by adding thereto the sum of the
4 following amounts:

5 (A) An amount equal to all amounts paid or accrued
6 to the taxpayer as interest or dividends during the
7 taxable year to the extent excluded from gross income
8 in the computation of taxable income;

9 (B) In the case of (i) an estate, \$600; (ii) a
10 trust which, under its governing instrument, is
11 required to distribute all of its income currently,
12 \$300; and (iii) any other trust, \$100, but in each such
13 case, only to the extent such amount was deducted in
14 the computation of taxable income;

15 (C) An amount equal to the amount of tax imposed by
16 this Act to the extent deducted from gross income in
17 the computation of taxable income for the taxable year;

18 (D) The amount of any net operating loss deduction
19 taken in arriving at taxable income, other than a net
20 operating loss carried forward from a taxable year
21 ending prior to December 31, 1986;

22 (E) For taxable years in which a net operating loss
23 carryback or carryforward from a taxable year ending
24 prior to December 31, 1986 is an element of taxable
25 income under paragraph (1) of subsection (e) or
26 subparagraph (E) of paragraph (2) of subsection (e),

1 the amount by which addition modifications other than
2 those provided by this subparagraph (E) exceeded
3 subtraction modifications in such taxable year, with
4 the following limitations applied in the order that
5 they are listed:

6 (i) the addition modification relating to the
7 net operating loss carried back or forward to the
8 taxable year from any taxable year ending prior to
9 December 31, 1986 shall be reduced by the amount of
10 addition modification under this subparagraph (E)
11 which related to that net operating loss and which
12 was taken into account in calculating the base
13 income of an earlier taxable year, and

14 (ii) the addition modification relating to the
15 net operating loss carried back or forward to the
16 taxable year from any taxable year ending prior to
17 December 31, 1986 shall not exceed the amount of
18 such carryback or carryforward;

19 For taxable years in which there is a net operating
20 loss carryback or carryforward from more than one other
21 taxable year ending prior to December 31, 1986, the
22 addition modification provided in this subparagraph
23 (E) shall be the sum of the amounts computed
24 independently under the preceding provisions of this
25 subparagraph (E) for each such taxable year;

26 (F) For taxable years ending on or after January 1,

1 1989, an amount equal to the tax deducted pursuant to
2 Section 164 of the Internal Revenue Code if the trust
3 or estate is claiming the same tax for purposes of the
4 Illinois foreign tax credit under Section 601 of this
5 Act;

6 (G) An amount equal to the amount of the capital
7 gain deduction allowable under the Internal Revenue
8 Code, to the extent deducted from gross income in the
9 computation of taxable income;

10 (G-5) For taxable years ending after December 31,
11 1997, an amount equal to any eligible remediation costs
12 that the trust or estate deducted in computing adjusted
13 gross income and for which the trust or estate claims a
14 credit under subsection (l) of Section 201;

15 (G-10) For taxable years 2001 and thereafter, an
16 amount equal to the bonus depreciation deduction taken
17 on the taxpayer's federal income tax return for the
18 taxable year under subsection (k) of Section 168 of the
19 Internal Revenue Code; and

20 (G-11) If the taxpayer sells, transfers, abandons,
21 or otherwise disposes of property for which the
22 taxpayer was required in any taxable year to make an
23 addition modification under subparagraph (G-10), then
24 an amount equal to the aggregate amount of the
25 deductions taken in all taxable years under
26 subparagraph (R) with respect to that property.

1 If the taxpayer continues to own property through
2 the last day of the last tax year for which the
3 taxpayer may claim a depreciation deduction for
4 federal income tax purposes and for which the taxpayer
5 was allowed in any taxable year to make a subtraction
6 modification under subparagraph (R), then an amount
7 equal to that subtraction modification.

8 The taxpayer is required to make the addition
9 modification under this subparagraph only once with
10 respect to any one piece of property;

11 (G-12) An amount equal to the amount otherwise
12 allowed as a deduction in computing base income for
13 interest paid, accrued, or incurred, directly or
14 indirectly, (i) for taxable years ending on or after
15 December 31, 2004, to a foreign person who would be a
16 member of the same unitary business group but for the
17 fact that the foreign person's business activity
18 outside the United States is 80% or more of the foreign
19 person's total business activity and (ii) for taxable
20 years ending on or after December 31, 2008, to a person
21 who would be a member of the same unitary business
22 group but for the fact that the person is prohibited
23 under Section 1501(a)(27) from being included in the
24 unitary business group because he or she is ordinarily
25 required to apportion business income under different
26 subsections of Section 304. The addition modification

1 required by this subparagraph shall be reduced to the
2 extent that dividends were included in base income of
3 the unitary group for the same taxable year and
4 received by the taxpayer or by a member of the
5 taxpayer's unitary business group (including amounts
6 included in gross income pursuant to Sections 951
7 through 964 of the Internal Revenue Code and amounts
8 included in gross income under Section 78 of the
9 Internal Revenue Code) with respect to the stock of the
10 same person to whom the interest was paid, accrued, or
11 incurred.

12 This paragraph shall not apply to the following:

13 (i) an item of interest paid, accrued, or
14 incurred, directly or indirectly, to a person who
15 is subject in a foreign country or state, other
16 than a state which requires mandatory unitary
17 reporting, to a tax on or measured by net income
18 with respect to such interest; or

19 (ii) an item of interest paid, accrued, or
20 incurred, directly or indirectly, to a person if
21 the taxpayer can establish, based on a
22 preponderance of the evidence, both of the
23 following:

24 (a) the person, during the same taxable
25 year, paid, accrued, or incurred, the interest
26 to a person that is not a related member, and

1 (b) the transaction giving rise to the
2 interest expense between the taxpayer and the
3 person did not have as a principal purpose the
4 avoidance of Illinois income tax, and is paid
5 pursuant to a contract or agreement that
6 reflects an arm's-length interest rate and
7 terms; or

8 (iii) the taxpayer can establish, based on
9 clear and convincing evidence, that the interest
10 paid, accrued, or incurred relates to a contract or
11 agreement entered into at arm's-length rates and
12 terms and the principal purpose for the payment is
13 not federal or Illinois tax avoidance; or

14 (iv) an item of interest paid, accrued, or
15 incurred, directly or indirectly, to a person if
16 the taxpayer establishes by clear and convincing
17 evidence that the adjustments are unreasonable; or
18 if the taxpayer and the Director agree in writing
19 to the application or use of an alternative method
20 of apportionment under Section 304(f).

21 Nothing in this subsection shall preclude the
22 Director from making any other adjustment
23 otherwise allowed under Section 404 of this Act for
24 any tax year beginning after the effective date of
25 this amendment provided such adjustment is made
26 pursuant to regulation adopted by the Department

1 and such regulations provide methods and standards
2 by which the Department will utilize its authority
3 under Section 404 of this Act;

4 (G-13) An amount equal to the amount of intangible
5 expenses and costs otherwise allowed as a deduction in
6 computing base income, and that were paid, accrued, or
7 incurred, directly or indirectly, (i) for taxable
8 years ending on or after December 31, 2004, to a
9 foreign person who would be a member of the same
10 unitary business group but for the fact that the
11 foreign person's business activity outside the United
12 States is 80% or more of that person's total business
13 activity and (ii) for taxable years ending on or after
14 December 31, 2008, to a person who would be a member of
15 the same unitary business group but for the fact that
16 the person is prohibited under Section 1501(a)(27)
17 from being included in the unitary business group
18 because he or she is ordinarily required to apportion
19 business income under different subsections of Section
20 304. The addition modification required by this
21 subparagraph shall be reduced to the extent that
22 dividends were included in base income of the unitary
23 group for the same taxable year and received by the
24 taxpayer or by a member of the taxpayer's unitary
25 business group (including amounts included in gross
26 income pursuant to Sections 951 through 964 of the

1 Internal Revenue Code and amounts included in gross
2 income under Section 78 of the Internal Revenue Code)
3 with respect to the stock of the same person to whom
4 the intangible expenses and costs were directly or
5 indirectly paid, incurred, or accrued. The preceding
6 sentence shall not apply to the extent that the same
7 dividends caused a reduction to the addition
8 modification required under Section 203(c) (2) (G-12) of
9 this Act. As used in this subparagraph, the term
10 "intangible expenses and costs" includes: (1)
11 expenses, losses, and costs for or related to the
12 direct or indirect acquisition, use, maintenance or
13 management, ownership, sale, exchange, or any other
14 disposition of intangible property; (2) losses
15 incurred, directly or indirectly, from factoring
16 transactions or discounting transactions; (3) royalty,
17 patent, technical, and copyright fees; (4) licensing
18 fees; and (5) other similar expenses and costs. For
19 purposes of this subparagraph, "intangible property"
20 includes patents, patent applications, trade names,
21 trademarks, service marks, copyrights, mask works,
22 trade secrets, and similar types of intangible assets.

23 This paragraph shall not apply to the following:

24 (i) any item of intangible expenses or costs
25 paid, accrued, or incurred, directly or
26 indirectly, from a transaction with a person who is

1 subject in a foreign country or state, other than a
2 state which requires mandatory unitary reporting,
3 to a tax on or measured by net income with respect
4 to such item; or

5 (ii) any item of intangible expense or cost
6 paid, accrued, or incurred, directly or
7 indirectly, if the taxpayer can establish, based
8 on a preponderance of the evidence, both of the
9 following:

10 (a) the person during the same taxable
11 year paid, accrued, or incurred, the
12 intangible expense or cost to a person that is
13 not a related member, and

14 (b) the transaction giving rise to the
15 intangible expense or cost between the
16 taxpayer and the person did not have as a
17 principal purpose the avoidance of Illinois
18 income tax, and is paid pursuant to a contract
19 or agreement that reflects arm's-length terms;
20 or

21 (iii) any item of intangible expense or cost
22 paid, accrued, or incurred, directly or
23 indirectly, from a transaction with a person if the
24 taxpayer establishes by clear and convincing
25 evidence, that the adjustments are unreasonable;
26 or if the taxpayer and the Director agree in

1 writing to the application or use of an alternative
2 method of apportionment under Section 304(f);

3 Nothing in this subsection shall preclude the
4 Director from making any other adjustment
5 otherwise allowed under Section 404 of this Act for
6 any tax year beginning after the effective date of
7 this amendment provided such adjustment is made
8 pursuant to regulation adopted by the Department
9 and such regulations provide methods and standards
10 by which the Department will utilize its authority
11 under Section 404 of this Act;

12 (G-14) For taxable years ending on or after
13 December 31, 2008, an amount equal to the amount of
14 insurance premium expenses and costs otherwise allowed
15 as a deduction in computing base income, and that were
16 paid, accrued, or incurred, directly or indirectly, to
17 a person who would be a member of the same unitary
18 business group but for the fact that the person is
19 prohibited under Section 1501(a)(27) from being
20 included in the unitary business group because he or
21 she is ordinarily required to apportion business
22 income under different subsections of Section 304. The
23 addition modification required by this subparagraph
24 shall be reduced to the extent that dividends were
25 included in base income of the unitary group for the
26 same taxable year and received by the taxpayer or by a

1 member of the taxpayer's unitary business group
2 (including amounts included in gross income under
3 Sections 951 through 964 of the Internal Revenue Code
4 and amounts included in gross income under Section 78
5 of the Internal Revenue Code) with respect to the stock
6 of the same person to whom the premiums and costs were
7 directly or indirectly paid, incurred, or accrued. The
8 preceding sentence does not apply to the extent that
9 the same dividends caused a reduction to the addition
10 modification required under Section 203(c)(2)(G-12) or
11 Section 203(c)(2)(G-13) of this Act.

12 and by deducting from the total so obtained the sum of the
13 following amounts:

14 (H) An amount equal to all amounts included in such
15 total pursuant to the provisions of Sections 402(a),
16 402(c), 403(a), 403(b), 406(a), 407(a) and 408 of the
17 Internal Revenue Code or included in such total as
18 distributions under the provisions of any retirement
19 or disability plan for employees of any governmental
20 agency or unit, or retirement payments to retired
21 partners, which payments are excluded in computing net
22 earnings from self employment by Section 1402 of the
23 Internal Revenue Code and regulations adopted pursuant
24 thereto;

25 (I) The valuation limitation amount;

26 (J) An amount equal to the amount of any tax

1 imposed by this Act which was refunded to the taxpayer
2 and included in such total for the taxable year;

3 (K) An amount equal to all amounts included in
4 taxable income as modified by subparagraphs (A), (B),
5 (C), (D), (E), (F) and (G) which are exempt from
6 taxation by this State either by reason of its statutes
7 or Constitution or by reason of the Constitution,
8 treaties or statutes of the United States; provided
9 that, in the case of any statute of this State that
10 exempts income derived from bonds or other obligations
11 from the tax imposed under this Act, the amount
12 exempted shall be the interest net of bond premium
13 amortization;

14 (L) With the exception of any amounts subtracted
15 under subparagraph (K), an amount equal to the sum of
16 all amounts disallowed as deductions by (i) Sections
17 171(a) (2) and 265(a) (2) of the Internal Revenue Code,
18 as now or hereafter amended, and all amounts of
19 expenses allocable to interest and disallowed as
20 deductions by Section 265(1) of the Internal Revenue
21 Code of 1954, as now or hereafter amended; and (ii) for
22 taxable years ending on or after August 13, 1999,
23 Sections 171(a) (2), 265, 280C, and 832(b) (5) (B) (i) of
24 the Internal Revenue Code; the provisions of this
25 subparagraph are exempt from the provisions of Section
26 250;

1 (M) An amount equal to those dividends included in
2 such total which were paid by a corporation which
3 conducts business operations in an Enterprise Zone or
4 zones created under the Illinois Enterprise Zone Act or
5 a River Edge Redevelopment Zone or zones created under
6 the River Edge Redevelopment Zone Act and conducts
7 substantially all of its operations in an Enterprise
8 Zone or Zones or a River Edge Redevelopment Zone or
9 zones. This subparagraph (M) is exempt from the
10 provisions of Section 250;

11 (N) An amount equal to any contribution made to a
12 job training project established pursuant to the Tax
13 Increment Allocation Redevelopment Act;

14 (O) An amount equal to those dividends included in
15 such total that were paid by a corporation that
16 conducts business operations in a federally designated
17 Foreign Trade Zone or Sub-Zone and that is designated a
18 High Impact Business located in Illinois; provided
19 that dividends eligible for the deduction provided in
20 subparagraph (M) of paragraph (2) of this subsection
21 shall not be eligible for the deduction provided under
22 this subparagraph (O);

23 (P) An amount equal to the amount of the deduction
24 used to compute the federal income tax credit for
25 restoration of substantial amounts held under claim of
26 right for the taxable year pursuant to Section 1341 of

1 the Internal Revenue Code of 1986;

2 (Q) For taxable year 1999 and thereafter, an amount
3 equal to the amount of any (i) distributions, to the
4 extent includible in gross income for federal income
5 tax purposes, made to the taxpayer because of his or
6 her status as a victim of persecution for racial or
7 religious reasons by Nazi Germany or any other Axis
8 regime or as an heir of the victim and (ii) items of
9 income, to the extent includible in gross income for
10 federal income tax purposes, attributable to, derived
11 from or in any way related to assets stolen from,
12 hidden from, or otherwise lost to a victim of
13 persecution for racial or religious reasons by Nazi
14 Germany or any other Axis regime immediately prior to,
15 during, and immediately after World War II, including,
16 but not limited to, interest on the proceeds receivable
17 as insurance under policies issued to a victim of
18 persecution for racial or religious reasons by Nazi
19 Germany or any other Axis regime by European insurance
20 companies immediately prior to and during World War II;
21 provided, however, this subtraction from federal
22 adjusted gross income does not apply to assets acquired
23 with such assets or with the proceeds from the sale of
24 such assets; provided, further, this paragraph shall
25 only apply to a taxpayer who was the first recipient of
26 such assets after their recovery and who is a victim of

1 persecution for racial or religious reasons by Nazi
2 Germany or any other Axis regime or as an heir of the
3 victim. The amount of and the eligibility for any
4 public assistance, benefit, or similar entitlement is
5 not affected by the inclusion of items (i) and (ii) of
6 this paragraph in gross income for federal income tax
7 purposes. This paragraph is exempt from the provisions
8 of Section 250;

9 (R) For taxable years 2001 and thereafter, for the
10 taxable year in which the bonus depreciation deduction
11 is taken on the taxpayer's federal income tax return
12 under subsection (k) of Section 168 of the Internal
13 Revenue Code and for each applicable taxable year
14 thereafter, an amount equal to "x", where:

15 (1) "y" equals the amount of the depreciation
16 deduction taken for the taxable year on the
17 taxpayer's federal income tax return on property
18 for which the bonus depreciation deduction was
19 taken in any year under subsection (k) of Section
20 168 of the Internal Revenue Code, but not including
21 the bonus depreciation deduction;

22 (2) for taxable years ending on or before
23 December 31, 2005, "x" equals "y" multiplied by 30
24 and then divided by 70 (or "y" multiplied by
25 0.429); and

26 (3) for taxable years ending after December

1 31, 2005:

2 (i) for property on which a bonus
3 depreciation deduction of 30% of the adjusted
4 basis was taken, "x" equals "y" multiplied by
5 30 and then divided by 70 (or "y" multiplied by
6 0.429); and

7 (ii) for property on which a bonus
8 depreciation deduction of 50% of the adjusted
9 basis was taken, "x" equals "y" multiplied by
10 1.0.

11 The aggregate amount deducted under this
12 subparagraph in all taxable years for any one piece of
13 property may not exceed the amount of the bonus
14 depreciation deduction taken on that property on the
15 taxpayer's federal income tax return under subsection
16 (k) of Section 168 of the Internal Revenue Code. This
17 subparagraph (R) is exempt from the provisions of
18 Section 250;

19 (S) If the taxpayer sells, transfers, abandons, or
20 otherwise disposes of property for which the taxpayer
21 was required in any taxable year to make an addition
22 modification under subparagraph (G-10), then an amount
23 equal to that addition modification.

24 If the taxpayer continues to own property through
25 the last day of the last tax year for which the
26 taxpayer may claim a depreciation deduction for

1 federal income tax purposes and for which the taxpayer
2 was required in any taxable year to make an addition
3 modification under subparagraph (G-10), then an amount
4 equal to that addition modification.

5 The taxpayer is allowed to take the deduction under
6 this subparagraph only once with respect to any one
7 piece of property.

8 This subparagraph (S) is exempt from the
9 provisions of Section 250;

10 (T) The amount of (i) any interest income (net of
11 the deductions allocable thereto) taken into account
12 for the taxable year with respect to a transaction with
13 a taxpayer that is required to make an addition
14 modification with respect to such transaction under
15 Section 203(a)(2)(D-17), 203(b)(2)(E-12),
16 203(c)(2)(G-12), or 203(d)(2)(D-7), but not to exceed
17 the amount of such addition modification and (ii) any
18 income from intangible property (net of the deductions
19 allocable thereto) taken into account for the taxable
20 year with respect to a transaction with a taxpayer that
21 is required to make an addition modification with
22 respect to such transaction under Section
23 203(a)(2)(D-18), 203(b)(2)(E-13), 203(c)(2)(G-13), or
24 203(d)(2)(D-8), but not to exceed the amount of such
25 addition modification. This subparagraph (T) is exempt
26 from the provisions of Section 250;

1 (U) An amount equal to the interest income taken
2 into account for the taxable year (net of the
3 deductions allocable thereto) with respect to
4 transactions with (i) a foreign person who would be a
5 member of the taxpayer's unitary business group but for
6 the fact the foreign person's business activity
7 outside the United States is 80% or more of that
8 person's total business activity and (ii) for taxable
9 years ending on or after December 31, 2008, to a person
10 who would be a member of the same unitary business
11 group but for the fact that the person is prohibited
12 under Section 1501(a)(27) from being included in the
13 unitary business group because he or she is ordinarily
14 required to apportion business income under different
15 subsections of Section 304, but not to exceed the
16 addition modification required to be made for the same
17 taxable year under Section 203(c)(2)(G-12) for
18 interest paid, accrued, or incurred, directly or
19 indirectly, to the same person. This subparagraph (U)
20 is exempt from the provisions of Section 250; and

21 (V) An amount equal to the income from intangible
22 property taken into account for the taxable year (net
23 of the deductions allocable thereto) with respect to
24 transactions with (i) a foreign person who would be a
25 member of the taxpayer's unitary business group but for
26 the fact that the foreign person's business activity

1 outside the United States is 80% or more of that
2 person's total business activity and (ii) for taxable
3 years ending on or after December 31, 2008, to a person
4 who would be a member of the same unitary business
5 group but for the fact that the person is prohibited
6 under Section 1501(a)(27) from being included in the
7 unitary business group because he or she is ordinarily
8 required to apportion business income under different
9 subsections of Section 304, but not to exceed the
10 addition modification required to be made for the same
11 taxable year under Section 203(c)(2)(G-13) for
12 intangible expenses and costs paid, accrued, or
13 incurred, directly or indirectly, to the same foreign
14 person. This subparagraph (V) is exempt from the
15 provisions of Section 250. ~~(W)~~

16 (3) Limitation. The amount of any modification
17 otherwise required under this subsection shall, under
18 regulations prescribed by the Department, be adjusted by
19 any amounts included therein which were properly paid,
20 credited, or required to be distributed, or permanently set
21 aside for charitable purposes pursuant to Internal Revenue
22 Code Section 642(c) during the taxable year.

23 (d) Partnerships.

24 (1) In general. In the case of a partnership, base
25 income means an amount equal to the taxpayer's taxable

1 income for the taxable year as modified by paragraph (2).

2 (2) Modifications. The taxable income referred to in
3 paragraph (1) shall be modified by adding thereto the sum
4 of the following amounts:

5 (A) An amount equal to all amounts paid or accrued
6 to the taxpayer as interest or dividends during the
7 taxable year to the extent excluded from gross income
8 in the computation of taxable income;

9 (B) An amount equal to the amount of tax imposed by
10 this Act to the extent deducted from gross income for
11 the taxable year;

12 (C) The amount of deductions allowed to the
13 partnership pursuant to Section 707 (c) of the Internal
14 Revenue Code in calculating its taxable income;
15 provided that no addition shall be required under this
16 subparagraph (C) for taxable years ending on or after
17 December 31, 2009, for deductions allowed for
18 guaranteed payments to an individual partner for
19 personal services by that partner;

20 (D) An amount equal to the amount of the capital
21 gain deduction allowable under the Internal Revenue
22 Code, to the extent deducted from gross income in the
23 computation of taxable income;

24 (D-5) For taxable years 2001 and thereafter, an
25 amount equal to the bonus depreciation deduction taken
26 on the taxpayer's federal income tax return for the

1 taxable year under subsection (k) of Section 168 of the
2 Internal Revenue Code;

3 (D-6) If the taxpayer sells, transfers, abandons,
4 or otherwise disposes of property for which the
5 taxpayer was required in any taxable year to make an
6 addition modification under subparagraph (D-5), then
7 an amount equal to the aggregate amount of the
8 deductions taken in all taxable years under
9 subparagraph (O) with respect to that property.

10 If the taxpayer continues to own property through
11 the last day of the last tax year for which the
12 taxpayer may claim a depreciation deduction for
13 federal income tax purposes and for which the taxpayer
14 was allowed in any taxable year to make a subtraction
15 modification under subparagraph (O), then an amount
16 equal to that subtraction modification.

17 The taxpayer is required to make the addition
18 modification under this subparagraph only once with
19 respect to any one piece of property;

20 (D-7) An amount equal to the amount otherwise
21 allowed as a deduction in computing base income for
22 interest paid, accrued, or incurred, directly or
23 indirectly, (i) for taxable years ending on or after
24 December 31, 2004, to a foreign person who would be a
25 member of the same unitary business group but for the
26 fact the foreign person's business activity outside

1 the United States is 80% or more of the foreign
2 person's total business activity and (ii) for taxable
3 years ending on or after December 31, 2008, to a person
4 who would be a member of the same unitary business
5 group but for the fact that the person is prohibited
6 under Section 1501(a)(27) from being included in the
7 unitary business group because he or she is ordinarily
8 required to apportion business income under different
9 subsections of Section 304. The addition modification
10 required by this subparagraph shall be reduced to the
11 extent that dividends were included in base income of
12 the unitary group for the same taxable year and
13 received by the taxpayer or by a member of the
14 taxpayer's unitary business group (including amounts
15 included in gross income pursuant to Sections 951
16 through 964 of the Internal Revenue Code and amounts
17 included in gross income under Section 78 of the
18 Internal Revenue Code) with respect to the stock of the
19 same person to whom the interest was paid, accrued, or
20 incurred.

21 This paragraph shall not apply to the following:

22 (i) an item of interest paid, accrued, or
23 incurred, directly or indirectly, to a person who
24 is subject in a foreign country or state, other
25 than a state which requires mandatory unitary
26 reporting, to a tax on or measured by net income

1 with respect to such interest; or

2 (ii) an item of interest paid, accrued, or
3 incurred, directly or indirectly, to a person if
4 the taxpayer can establish, based on a
5 preponderance of the evidence, both of the
6 following:

7 (a) the person, during the same taxable
8 year, paid, accrued, or incurred, the interest
9 to a person that is not a related member, and

10 (b) the transaction giving rise to the
11 interest expense between the taxpayer and the
12 person did not have as a principal purpose the
13 avoidance of Illinois income tax, and is paid
14 pursuant to a contract or agreement that
15 reflects an arm's-length interest rate and
16 terms; or

17 (iii) the taxpayer can establish, based on
18 clear and convincing evidence, that the interest
19 paid, accrued, or incurred relates to a contract or
20 agreement entered into at arm's-length rates and
21 terms and the principal purpose for the payment is
22 not federal or Illinois tax avoidance; or

23 (iv) an item of interest paid, accrued, or
24 incurred, directly or indirectly, to a person if
25 the taxpayer establishes by clear and convincing
26 evidence that the adjustments are unreasonable; or

1 if the taxpayer and the Director agree in writing
2 to the application or use of an alternative method
3 of apportionment under Section 304(f).

4 Nothing in this subsection shall preclude the
5 Director from making any other adjustment
6 otherwise allowed under Section 404 of this Act for
7 any tax year beginning after the effective date of
8 this amendment provided such adjustment is made
9 pursuant to regulation adopted by the Department
10 and such regulations provide methods and standards
11 by which the Department will utilize its authority
12 under Section 404 of this Act; and

13 (D-8) An amount equal to the amount of intangible
14 expenses and costs otherwise allowed as a deduction in
15 computing base income, and that were paid, accrued, or
16 incurred, directly or indirectly, (i) for taxable
17 years ending on or after December 31, 2004, to a
18 foreign person who would be a member of the same
19 unitary business group but for the fact that the
20 foreign person's business activity outside the United
21 States is 80% or more of that person's total business
22 activity and (ii) for taxable years ending on or after
23 December 31, 2008, to a person who would be a member of
24 the same unitary business group but for the fact that
25 the person is prohibited under Section 1501(a)(27)
26 from being included in the unitary business group

1 because he or she is ordinarily required to apportion
2 business income under different subsections of Section
3 304. The addition modification required by this
4 subparagraph shall be reduced to the extent that
5 dividends were included in base income of the unitary
6 group for the same taxable year and received by the
7 taxpayer or by a member of the taxpayer's unitary
8 business group (including amounts included in gross
9 income pursuant to Sections 951 through 964 of the
10 Internal Revenue Code and amounts included in gross
11 income under Section 78 of the Internal Revenue Code)
12 with respect to the stock of the same person to whom
13 the intangible expenses and costs were directly or
14 indirectly paid, incurred or accrued. The preceding
15 sentence shall not apply to the extent that the same
16 dividends caused a reduction to the addition
17 modification required under Section 203(d)(2)(D-7) of
18 this Act. As used in this subparagraph, the term
19 "intangible expenses and costs" includes (1) expenses,
20 losses, and costs for, or related to, the direct or
21 indirect acquisition, use, maintenance or management,
22 ownership, sale, exchange, or any other disposition of
23 intangible property; (2) losses incurred, directly or
24 indirectly, from factoring transactions or discounting
25 transactions; (3) royalty, patent, technical, and
26 copyright fees; (4) licensing fees; and (5) other

1 similar expenses and costs. For purposes of this
2 subparagraph, "intangible property" includes patents,
3 patent applications, trade names, trademarks, service
4 marks, copyrights, mask works, trade secrets, and
5 similar types of intangible assets;

6 This paragraph shall not apply to the following:

7 (i) any item of intangible expenses or costs
8 paid, accrued, or incurred, directly or
9 indirectly, from a transaction with a person who is
10 subject in a foreign country or state, other than a
11 state which requires mandatory unitary reporting,
12 to a tax on or measured by net income with respect
13 to such item; or

14 (ii) any item of intangible expense or cost
15 paid, accrued, or incurred, directly or
16 indirectly, if the taxpayer can establish, based
17 on a preponderance of the evidence, both of the
18 following:

19 (a) the person during the same taxable
20 year paid, accrued, or incurred, the
21 intangible expense or cost to a person that is
22 not a related member, and

23 (b) the transaction giving rise to the
24 intangible expense or cost between the
25 taxpayer and the person did not have as a
26 principal purpose the avoidance of Illinois

1 income tax, and is paid pursuant to a contract
2 or agreement that reflects arm's-length terms;
3 or

4 (iii) any item of intangible expense or cost
5 paid, accrued, or incurred, directly or
6 indirectly, from a transaction with a person if the
7 taxpayer establishes by clear and convincing
8 evidence, that the adjustments are unreasonable;
9 or if the taxpayer and the Director agree in
10 writing to the application or use of an alternative
11 method of apportionment under Section 304(f);

12 Nothing in this subsection shall preclude the
13 Director from making any other adjustment
14 otherwise allowed under Section 404 of this Act for
15 any tax year beginning after the effective date of
16 this amendment provided such adjustment is made
17 pursuant to regulation adopted by the Department
18 and such regulations provide methods and standards
19 by which the Department will utilize its authority
20 under Section 404 of this Act;

21 (D-9) For taxable years ending on or after December
22 31, 2008, an amount equal to the amount of insurance
23 premium expenses and costs otherwise allowed as a
24 deduction in computing base income, and that were paid,
25 accrued, or incurred, directly or indirectly, to a
26 person who would be a member of the same unitary

1 business group but for the fact that the person is
2 prohibited under Section 1501(a)(27) from being
3 included in the unitary business group because he or
4 she is ordinarily required to apportion business
5 income under different subsections of Section 304. The
6 addition modification required by this subparagraph
7 shall be reduced to the extent that dividends were
8 included in base income of the unitary group for the
9 same taxable year and received by the taxpayer or by a
10 member of the taxpayer's unitary business group
11 (including amounts included in gross income under
12 Sections 951 through 964 of the Internal Revenue Code
13 and amounts included in gross income under Section 78
14 of the Internal Revenue Code) with respect to the stock
15 of the same person to whom the premiums and costs were
16 directly or indirectly paid, incurred, or accrued. The
17 preceding sentence does not apply to the extent that
18 the same dividends caused a reduction to the addition
19 modification required under Section 203(d)(2)(D-7) or
20 Section 203(d)(2)(D-8) of this Act.

21 and by deducting from the total so obtained the following
22 amounts:

23 (E) The valuation limitation amount;

24 (F) An amount equal to the amount of any tax
25 imposed by this Act which was refunded to the taxpayer
26 and included in such total for the taxable year;

1 (G) An amount equal to all amounts included in
2 taxable income as modified by subparagraphs (A), (B),
3 (C) and (D) which are exempt from taxation by this
4 State either by reason of its statutes or Constitution
5 or by reason of the Constitution, treaties or statutes
6 of the United States; provided that, in the case of any
7 statute of this State that exempts income derived from
8 bonds or other obligations from the tax imposed under
9 this Act, the amount exempted shall be the interest net
10 of bond premium amortization;

11 (H) For taxable years ending before December 31,
12 2009, Any income of the partnership which constitutes
13 personal service income as defined in Section 1348 (b)
14 (1) of the Internal Revenue Code (as in effect December
15 31, 1981) or a reasonable allowance for compensation
16 paid or accrued for services rendered by partners to
17 the partnership, whichever is greater;

18 (I) An amount equal to all amounts of income
19 distributable to an entity subject to the Personal
20 Property Tax Replacement Income Tax imposed by
21 subsections (c) and (d) of Section 201 of this Act
22 including amounts distributable to organizations
23 exempt from federal income tax by reason of Section
24 501(a) of the Internal Revenue Code;

25 (J) With the exception of any amounts subtracted
26 under subparagraph (G), an amount equal to the sum of

1 all amounts disallowed as deductions by (i) Sections
2 171(a) (2), and 265(2) of the Internal Revenue Code of
3 1954, as now or hereafter amended, and all amounts of
4 expenses allocable to interest and disallowed as
5 deductions by Section 265(1) of the Internal Revenue
6 Code, as now or hereafter amended; and (ii) for taxable
7 years ending on or after August 13, 1999, Sections
8 171(a) (2), 265, 280C, and 832(b) (5) (B) (i) of the
9 Internal Revenue Code; the provisions of this
10 subparagraph are exempt from the provisions of Section
11 250;

12 (K) An amount equal to those dividends included in
13 such total which were paid by a corporation which
14 conducts business operations in an Enterprise Zone or
15 zones created under the Illinois Enterprise Zone Act,
16 enacted by the 82nd General Assembly, or a River Edge
17 Redevelopment Zone or zones created under the River
18 Edge Redevelopment Zone Act and conducts substantially
19 all of its operations in an Enterprise Zone or Zones or
20 from a River Edge Redevelopment Zone or zones. This
21 subparagraph (K) is exempt from the provisions of
22 Section 250;

23 (L) An amount equal to any contribution made to a
24 job training project established pursuant to the Real
25 Property Tax Increment Allocation Redevelopment Act;

26 (M) An amount equal to those dividends included in

1 such total that were paid by a corporation that
2 conducts business operations in a federally designated
3 Foreign Trade Zone or Sub-Zone and that is designated a
4 High Impact Business located in Illinois; provided
5 that dividends eligible for the deduction provided in
6 subparagraph (K) of paragraph (2) of this subsection
7 shall not be eligible for the deduction provided under
8 this subparagraph (M);

9 (N) An amount equal to the amount of the deduction
10 used to compute the federal income tax credit for
11 restoration of substantial amounts held under claim of
12 right for the taxable year pursuant to Section 1341 of
13 the Internal Revenue Code of 1986;

14 (O) For taxable years 2001 and thereafter, for the
15 taxable year in which the bonus depreciation deduction
16 is taken on the taxpayer's federal income tax return
17 under subsection (k) of Section 168 of the Internal
18 Revenue Code and for each applicable taxable year
19 thereafter, an amount equal to "x", where:

20 (1) "y" equals the amount of the depreciation
21 deduction taken for the taxable year on the
22 taxpayer's federal income tax return on property
23 for which the bonus depreciation deduction was
24 taken in any year under subsection (k) of Section
25 168 of the Internal Revenue Code, but not including
26 the bonus depreciation deduction;

1 (2) for taxable years ending on or before
2 December 31, 2005, "x" equals "y" multiplied by 30
3 and then divided by 70 (or "y" multiplied by
4 0.429); and

5 (3) for taxable years ending after December
6 31, 2005:

7 (i) for property on which a bonus
8 depreciation deduction of 30% of the adjusted
9 basis was taken, "x" equals "y" multiplied by
10 30 and then divided by 70 (or "y" multiplied by
11 0.429); and

12 (ii) for property on which a bonus
13 depreciation deduction of 50% of the adjusted
14 basis was taken, "x" equals "y" multiplied by
15 1.0.

16 The aggregate amount deducted under this
17 subparagraph in all taxable years for any one piece of
18 property may not exceed the amount of the bonus
19 depreciation deduction taken on that property on the
20 taxpayer's federal income tax return under subsection
21 (k) of Section 168 of the Internal Revenue Code. This
22 subparagraph (O) is exempt from the provisions of
23 Section 250;

24 (P) If the taxpayer sells, transfers, abandons, or
25 otherwise disposes of property for which the taxpayer
26 was required in any taxable year to make an addition

1 modification under subparagraph (D-5), then an amount
2 equal to that addition modification.

3 If the taxpayer continues to own property through
4 the last day of the last tax year for which the
5 taxpayer may claim a depreciation deduction for
6 federal income tax purposes and for which the taxpayer
7 was required in any taxable year to make an addition
8 modification under subparagraph (D-5), then an amount
9 equal to that addition modification.

10 The taxpayer is allowed to take the deduction under
11 this subparagraph only once with respect to any one
12 piece of property.

13 This subparagraph (P) is exempt from the
14 provisions of Section 250;

15 (Q) The amount of (i) any interest income (net of
16 the deductions allocable thereto) taken into account
17 for the taxable year with respect to a transaction with
18 a taxpayer that is required to make an addition
19 modification with respect to such transaction under
20 Section 203(a)(2)(D-17), 203(b)(2)(E-12),
21 203(c)(2)(G-12), or 203(d)(2)(D-7), but not to exceed
22 the amount of such addition modification and (ii) any
23 income from intangible property (net of the deductions
24 allocable thereto) taken into account for the taxable
25 year with respect to a transaction with a taxpayer that
26 is required to make an addition modification with

1 respect to such transaction under Section
2 203(a)(2)(D-18), 203(b)(2)(E-13), 203(c)(2)(G-13), or
3 203(d)(2)(D-8), but not to exceed the amount of such
4 addition modification. This subparagraph (Q) is exempt
5 from Section 250;

6 (R) An amount equal to the interest income taken
7 into account for the taxable year (net of the
8 deductions allocable thereto) with respect to
9 transactions with (i) a foreign person who would be a
10 member of the taxpayer's unitary business group but for
11 the fact that the foreign person's business activity
12 outside the United States is 80% or more of that
13 person's total business activity and (ii) for taxable
14 years ending on or after December 31, 2008, to a person
15 who would be a member of the same unitary business
16 group but for the fact that the person is prohibited
17 under Section 1501(a)(27) from being included in the
18 unitary business group because he or she is ordinarily
19 required to apportion business income under different
20 subsections of Section 304, but not to exceed the
21 addition modification required to be made for the same
22 taxable year under Section 203(d)(2)(D-7) for interest
23 paid, accrued, or incurred, directly or indirectly, to
24 the same person. This subparagraph (R) is exempt from
25 Section 250; and

26 (S) An amount equal to the income from intangible

1 property taken into account for the taxable year (net
2 of the deductions allocable thereto) with respect to
3 transactions with (i) a foreign person who would be a
4 member of the taxpayer's unitary business group but for
5 the fact that the foreign person's business activity
6 outside the United States is 80% or more of that
7 person's total business activity and (ii) for taxable
8 years ending on or after December 31, 2008, to a person
9 who would be a member of the same unitary business
10 group but for the fact that the person is prohibited
11 under Section 1501(a)(27) from being included in the
12 unitary business group because he or she is ordinarily
13 required to apportion business income under different
14 subsections of Section 304, but not to exceed the
15 addition modification required to be made for the same
16 taxable year under Section 203(d)(2)(D-8) for
17 intangible expenses and costs paid, accrued, or
18 incurred, directly or indirectly, to the same person.
19 This subparagraph (S) is exempt from Section 250. ~~(T)~~

20 (e) Gross income; adjusted gross income; taxable income.

21 (1) In general. Subject to the provisions of paragraph
22 (2) and subsection (b) (3), for purposes of this Section
23 and Section 803(e), a taxpayer's gross income, adjusted
24 gross income, or taxable income for the taxable year shall
25 mean the amount of gross income, adjusted gross income or

1 taxable income properly reportable for federal income tax
2 purposes for the taxable year under the provisions of the
3 Internal Revenue Code. Taxable income may be less than
4 zero. However, for taxable years ending on or after
5 December 31, 1986, net operating loss carryforwards from
6 taxable years ending prior to December 31, 1986, may not
7 exceed the sum of federal taxable income for the taxable
8 year before net operating loss deduction, plus the excess
9 of addition modifications over subtraction modifications
10 for the taxable year. For taxable years ending prior to
11 December 31, 1986, taxable income may never be an amount in
12 excess of the net operating loss for the taxable year as
13 defined in subsections (c) and (d) of Section 172 of the
14 Internal Revenue Code, provided that when taxable income of
15 a corporation (other than a Subchapter S corporation),
16 trust, or estate is less than zero and addition
17 modifications, other than those provided by subparagraph
18 (E) of paragraph (2) of subsection (b) for corporations or
19 subparagraph (E) of paragraph (2) of subsection (c) for
20 trusts and estates, exceed subtraction modifications, an
21 addition modification must be made under those
22 subparagraphs for any other taxable year to which the
23 taxable income less than zero (net operating loss) is
24 applied under Section 172 of the Internal Revenue Code or
25 under subparagraph (E) of paragraph (2) of this subsection
26 (e) applied in conjunction with Section 172 of the Internal

1 Revenue Code.

2 (2) Special rule. For purposes of paragraph (1) of this
3 subsection, the taxable income properly reportable for
4 federal income tax purposes shall mean:

5 (A) Certain life insurance companies. In the case
6 of a life insurance company subject to the tax imposed
7 by Section 801 of the Internal Revenue Code, life
8 insurance company taxable income, plus the amount of
9 distribution from pre-1984 policyholder surplus
10 accounts as calculated under Section 815a of the
11 Internal Revenue Code;

12 (B) Certain other insurance companies. In the case
13 of mutual insurance companies subject to the tax
14 imposed by Section 831 of the Internal Revenue Code,
15 insurance company taxable income;

16 (C) Regulated investment companies. In the case of
17 a regulated investment company subject to the tax
18 imposed by Section 852 of the Internal Revenue Code,
19 investment company taxable income;

20 (D) Real estate investment trusts. In the case of a
21 real estate investment trust subject to the tax imposed
22 by Section 857 of the Internal Revenue Code, real
23 estate investment trust taxable income;

24 (E) Consolidated corporations. In the case of a
25 corporation which is a member of an affiliated group of
26 corporations filing a consolidated income tax return

1 for the taxable year for federal income tax purposes,
2 taxable income determined as if such corporation had
3 filed a separate return for federal income tax purposes
4 for the taxable year and each preceding taxable year
5 for which it was a member of an affiliated group. For
6 purposes of this subparagraph, the taxpayer's separate
7 taxable income shall be determined as if the election
8 provided by Section 243(b) (2) of the Internal Revenue
9 Code had been in effect for all such years;

10 (F) Cooperatives. In the case of a cooperative
11 corporation or association, the taxable income of such
12 organization determined in accordance with the
13 provisions of Section 1381 through 1388 of the Internal
14 Revenue Code;

15 (G) Subchapter S corporations. In the case of: (i)
16 a Subchapter S corporation for which there is in effect
17 an election for the taxable year under Section 1362 of
18 the Internal Revenue Code, the taxable income of such
19 corporation determined in accordance with Section
20 1363(b) of the Internal Revenue Code, except that
21 taxable income shall take into account those items
22 which are required by Section 1363(b)(1) of the
23 Internal Revenue Code to be separately stated; and (ii)
24 a Subchapter S corporation for which there is in effect
25 a federal election to opt out of the provisions of the
26 Subchapter S Revision Act of 1982 and have applied

1 instead the prior federal Subchapter S rules as in
2 effect on July 1, 1982, the taxable income of such
3 corporation determined in accordance with the federal
4 Subchapter S rules as in effect on July 1, 1982; and

5 (H) Partnerships. In the case of a partnership,
6 taxable income determined in accordance with Section
7 703 of the Internal Revenue Code, except that taxable
8 income shall take into account those items which are
9 required by Section 703(a)(1) to be separately stated
10 but which would be taken into account by an individual
11 in calculating his taxable income.

12 (3) Recapture of business expenses on disposition of
13 asset or business. Notwithstanding any other law to the
14 contrary, if in prior years income from an asset or
15 business has been classified as business income and in a
16 later year is demonstrated to be non-business income, then
17 all expenses, without limitation, deducted in such later
18 year and in the 2 immediately preceding taxable years
19 related to that asset or business that generated the
20 non-business income shall be added back and recaptured as
21 business income in the year of the disposition of the asset
22 or business. Such amount shall be apportioned to Illinois
23 using the greater of the apportionment fraction computed
24 for the business under Section 304 of this Act for the
25 taxable year or the average of the apportionment fractions
26 computed for the business under Section 304 of this Act for

1 the taxable year and for the 2 immediately preceding
2 taxable years.

3 (f) Valuation limitation amount.

4 (1) In general. The valuation limitation amount
5 referred to in subsections (a) (2) (G), (c) (2) (I) and
6 (d) (2) (E) is an amount equal to:

7 (A) The sum of the pre-August 1, 1969 appreciation
8 amounts (to the extent consisting of gain reportable
9 under the provisions of Section 1245 or 1250 of the
10 Internal Revenue Code) for all property in respect of
11 which such gain was reported for the taxable year; plus

12 (B) The lesser of (i) the sum of the pre-August 1,
13 1969 appreciation amounts (to the extent consisting of
14 capital gain) for all property in respect of which such
15 gain was reported for federal income tax purposes for
16 the taxable year, or (ii) the net capital gain for the
17 taxable year, reduced in either case by any amount of
18 such gain included in the amount determined under
19 subsection (a) (2) (F) or (c) (2) (H).

20 (2) Pre-August 1, 1969 appreciation amount.

21 (A) If the fair market value of property referred
22 to in paragraph (1) was readily ascertainable on August
23 1, 1969, the pre-August 1, 1969 appreciation amount for
24 such property is the lesser of (i) the excess of such
25 fair market value over the taxpayer's basis (for

1 determining gain) for such property on that date
2 (determined under the Internal Revenue Code as in
3 effect on that date), or (ii) the total gain realized
4 and reportable for federal income tax purposes in
5 respect of the sale, exchange or other disposition of
6 such property.

7 (B) If the fair market value of property referred
8 to in paragraph (1) was not readily ascertainable on
9 August 1, 1969, the pre-August 1, 1969 appreciation
10 amount for such property is that amount which bears the
11 same ratio to the total gain reported in respect of the
12 property for federal income tax purposes for the
13 taxable year, as the number of full calendar months in
14 that part of the taxpayer's holding period for the
15 property ending July 31, 1969 bears to the number of
16 full calendar months in the taxpayer's entire holding
17 period for the property.

18 (C) The Department shall prescribe such
19 regulations as may be necessary to carry out the
20 purposes of this paragraph.

21 (g) Double deductions. Unless specifically provided
22 otherwise, nothing in this Section shall permit the same item
23 to be deducted more than once.

24 (h) Legislative intention. Except as expressly provided by

1 this Section there shall be no modifications or limitations on
2 the amounts of income, gain, loss or deduction taken into
3 account in determining gross income, adjusted gross income or
4 taxable income for federal income tax purposes for the taxable
5 year, or in the amount of such items entering into the
6 computation of base income and net income under this Act for
7 such taxable year, whether in respect of property values as of
8 August 1, 1969 or otherwise.

9 (Source: P.A. 94-776, eff. 5-19-06; 94-789, eff. 5-19-06;
10 94-1021, eff. 7-12-06; 94-1074, eff. 12-26-06; 95-23, eff.
11 8-3-07; 95-233, eff. 8-16-07; 95-286, eff. 8-20-07; 95-331,
12 eff. 8-21-07; 95-707, eff. 1-11-08; 95-876, eff. 8-21-08;
13 revised 10-15-08.)

14 (35 ILCS 5/901) (from Ch. 120, par. 9-901)

15 Sec. 901. Collection Authority.

16 (a) In general.

17 The Department shall collect the taxes imposed by this Act.
18 The Department shall collect certified past due child support
19 amounts under Section 2505-650 of the Department of Revenue Law
20 (20 ILCS 2505/2505-650). Except as provided in subsections (c)
21 and (e) of this Section, money collected pursuant to
22 subsections (a) and (b) of Section 201 of this Act shall be
23 paid into the General Revenue Fund in the State treasury; money
24 collected pursuant to subsections (c) and (d) of Section 201 of
25 this Act shall be paid into the Personal Property Tax

1 Replacement Fund, a special fund in the State Treasury; and
2 money collected under Section 2505-650 of the Department of
3 Revenue Law (20 ILCS 2505/2505-650) shall be paid into the
4 Child Support Enforcement Trust Fund, a special fund outside
5 the State Treasury, or to the State Disbursement Unit
6 established under Section 10-26 of the Illinois Public Aid
7 Code, as directed by the Department of Healthcare and Family
8 Services.

9 (b) Local Government ~~Governmental~~ Distributive Fund.

10 Beginning August 1, 1969, and continuing through June 30,
11 1994, the Treasurer shall transfer each month from the General
12 Revenue Fund to a special fund in the State treasury, to be
13 known as the "Local Government Distributive Fund", an amount
14 equal to 1/12 of the net revenue realized from the tax imposed
15 by subsections (a) and (b) of Section 201 of this Act during
16 the preceding month. Beginning July 1, 1994, and continuing
17 through June 30, 1995, the Treasurer shall transfer each month
18 from the General Revenue Fund to the Local Government
19 Distributive Fund an amount equal to 1/11 of the net revenue
20 realized from the tax imposed by subsections (a) and (b) of
21 Section 201 of this Act during the preceding month. Beginning
22 July 1, 1995, the Treasurer shall transfer each month from the
23 General Revenue Fund to the Local Government Distributive Fund
24 an amount equal to the net of (i) 1/10 of the net revenue
25 realized from the tax imposed by subsections (a) and (b) of
26 Section 201 of the Illinois Income Tax Act during the preceding

1 month (ii) minus, beginning July 1, 2003 and ending June 30,
2 2004, \$6,666,666, and beginning July 1, 2004, zero. Net revenue
3 realized for a month shall be defined as the revenue from the
4 tax imposed by subsections (a) and (b) of Section 201 of this
5 Act which is deposited in the General Revenue Fund, the
6 Educational Assistance Fund and the Income Tax Surcharge Local
7 Government Distributive Fund during the month minus the amount
8 paid out of the General Revenue Fund in State warrants during
9 that same month as refunds to taxpayers for overpayment of
10 liability under the tax imposed by subsections (a) and (b) of
11 Section 201 of this Act.

12 (c) Deposits Into Income Tax Refund Fund.

13 (1) Beginning on January 1, 1989 and thereafter, the
14 Department shall deposit a percentage of the amounts
15 collected pursuant to subsections (a) and (b)(1), (2), and
16 (3), of Section 201 of this Act into a fund in the State
17 treasury known as the Income Tax Refund Fund. The
18 Department shall deposit 6% of such amounts during the
19 period beginning January 1, 1989 and ending on June 30,
20 1989. Beginning with State fiscal year 1990 and for each
21 fiscal year thereafter, the percentage deposited into the
22 Income Tax Refund Fund during a fiscal year shall be the
23 Annual Percentage. For fiscal years 1999 through 2001, the
24 Annual Percentage shall be 7.1%. For fiscal year 2003, the
25 Annual Percentage shall be 8%. For fiscal year 2004, the
26 Annual Percentage shall be 11.7%. Upon the effective date

1 of this amendatory Act of the 93rd General Assembly, the
2 Annual Percentage shall be 10% for fiscal year 2005. For
3 fiscal year 2006, the Annual Percentage shall be 9.75%. For
4 fiscal year 2007, the Annual Percentage shall be 9.75%. For
5 fiscal year 2008, the Annual Percentage shall be 7.75%. For
6 fiscal year 2009, the Annual Percentage shall be 9.75%. For
7 fiscal year 2010, the Annual Percentage shall be 9.75%. For
8 all other fiscal years, the Annual Percentage shall be
9 calculated as a fraction, the numerator of which shall be
10 the amount of refunds approved for payment by the
11 Department during the preceding fiscal year as a result of
12 overpayment of tax liability under subsections (a) and
13 (b) (1), (2), and (3) of Section 201 of this Act plus the
14 amount of such refunds remaining approved but unpaid at the
15 end of the preceding fiscal year, minus the amounts
16 transferred into the Income Tax Refund Fund from the
17 Tobacco Settlement Recovery Fund, and the denominator of
18 which shall be the amounts which will be collected pursuant
19 to subsections (a) and (b) (1), (2), and (3) of Section 201
20 of this Act during the preceding fiscal year; except that
21 in State fiscal year 2002, the Annual Percentage shall in
22 no event exceed 7.6%. The Director of Revenue shall certify
23 the Annual Percentage to the Comptroller on the last
24 business day of the fiscal year immediately preceding the
25 fiscal year for which it is to be effective.

26 (2) Beginning on January 1, 1989 and thereafter, the

1 Department shall deposit a percentage of the amounts
2 collected pursuant to subsections (a) and (b) (6), (7), and
3 (8), (c) and (d) of Section 201 of this Act into a fund in
4 the State treasury known as the Income Tax Refund Fund. The
5 Department shall deposit 18% of such amounts during the
6 period beginning January 1, 1989 and ending on June 30,
7 1989. Beginning with State fiscal year 1990 and for each
8 fiscal year thereafter, the percentage deposited into the
9 Income Tax Refund Fund during a fiscal year shall be the
10 Annual Percentage. For fiscal years 1999, 2000, and 2001,
11 the Annual Percentage shall be 19%. For fiscal year 2003,
12 the Annual Percentage shall be 27%. For fiscal year 2004,
13 the Annual Percentage shall be 32%. Upon the effective date
14 of this amendatory Act of the 93rd General Assembly, the
15 Annual Percentage shall be 24% for fiscal year 2005. For
16 fiscal year 2006, the Annual Percentage shall be 20%. For
17 fiscal year 2007, the Annual Percentage shall be 17.5%. For
18 fiscal year 2008, the Annual Percentage shall be 15.5%. For
19 fiscal year 2009, the Annual Percentage shall be 17.5%. For
20 fiscal year 2010, the Annual Percentage shall be 17.5%. For
21 all other fiscal years, the Annual Percentage shall be
22 calculated as a fraction, the numerator of which shall be
23 the amount of refunds approved for payment by the
24 Department during the preceding fiscal year as a result of
25 overpayment of tax liability under subsections (a) and
26 (b) (6), (7), and (8), (c) and (d) of Section 201 of this

1 Act plus the amount of such refunds remaining approved but
2 unpaid at the end of the preceding fiscal year, and the
3 denominator of which shall be the amounts which will be
4 collected pursuant to subsections (a) and (b) (6), (7), and
5 (8), (c) and (d) of Section 201 of this Act during the
6 preceding fiscal year; except that in State fiscal year
7 2002, the Annual Percentage shall in no event exceed 23%.
8 The Director of Revenue shall certify the Annual Percentage
9 to the Comptroller on the last business day of the fiscal
10 year immediately preceding the fiscal year for which it is
11 to be effective.

12 (3) The Comptroller shall order transferred and the
13 Treasurer shall transfer from the Tobacco Settlement
14 Recovery Fund to the Income Tax Refund Fund (i) \$35,000,000
15 in January, 2001, (ii) \$35,000,000 in January, 2002, and
16 (iii) \$35,000,000 in January, 2003.

17 (d) Expenditures from Income Tax Refund Fund.

18 (1) Beginning January 1, 1989, money in the Income Tax
19 Refund Fund shall be expended exclusively for the purpose
20 of paying refunds resulting from overpayment of tax
21 liability under Section 201 of this Act, for paying rebates
22 under Section 208.1 in the event that the amounts in the
23 Homeowners' Tax Relief Fund are insufficient for that
24 purpose, and for making transfers pursuant to this
25 subsection (d).

26 (2) The Director shall order payment of refunds

1 resulting from overpayment of tax liability under Section
2 201 of this Act from the Income Tax Refund Fund only to the
3 extent that amounts collected pursuant to Section 201 of
4 this Act and transfers pursuant to this subsection (d) and
5 item (3) of subsection (c) have been deposited and retained
6 in the Fund.

7 (3) As soon as possible after the end of each fiscal
8 year, the Director shall order transferred and the State
9 Treasurer and State Comptroller shall transfer from the
10 Income Tax Refund Fund to the Personal Property Tax
11 Replacement Fund an amount, certified by the Director to
12 the Comptroller, equal to the excess of the amount
13 collected pursuant to subsections (c) and (d) of Section
14 201 of this Act deposited into the Income Tax Refund Fund
15 during the fiscal year over the amount of refunds resulting
16 from overpayment of tax liability under subsections (c) and
17 (d) of Section 201 of this Act paid from the Income Tax
18 Refund Fund during the fiscal year.

19 (4) As soon as possible after the end of each fiscal
20 year, the Director shall order transferred and the State
21 Treasurer and State Comptroller shall transfer from the
22 Personal Property Tax Replacement Fund to the Income Tax
23 Refund Fund an amount, certified by the Director to the
24 Comptroller, equal to the excess of the amount of refunds
25 resulting from overpayment of tax liability under
26 subsections (c) and (d) of Section 201 of this Act paid

1 from the Income Tax Refund Fund during the fiscal year over
2 the amount collected pursuant to subsections (c) and (d) of
3 Section 201 of this Act deposited into the Income Tax
4 Refund Fund during the fiscal year.

5 (4.5) As soon as possible after the end of fiscal year
6 1999 and of each fiscal year thereafter, the Director shall
7 order transferred and the State Treasurer and State
8 Comptroller shall transfer from the Income Tax Refund Fund
9 to the General Revenue Fund any surplus remaining in the
10 Income Tax Refund Fund as of the end of such fiscal year;
11 excluding for fiscal years 2000, 2001, and 2002 amounts
12 attributable to transfers under item (3) of subsection (c)
13 less refunds resulting from the earned income tax credit.

14 (5) This Act shall constitute an irrevocable and
15 continuing appropriation from the Income Tax Refund Fund
16 for the purpose of paying refunds upon the order of the
17 Director in accordance with the provisions of this Section.

18 (e) Deposits into the Education Assistance Fund and the
19 Income Tax Surcharge Local Government Distributive Fund.

20 On July 1, 1991, and thereafter, of the amounts collected
21 pursuant to subsections (a) and (b) of Section 201 of this Act,
22 minus deposits into the Income Tax Refund Fund, the Department
23 shall deposit 7.3% into the Education Assistance Fund in the
24 State Treasury. Beginning July 1, 1991, and continuing through
25 January 31, 1993, of the amounts collected pursuant to
26 subsections (a) and (b) of Section 201 of the Illinois Income

1 Tax Act, minus deposits into the Income Tax Refund Fund, the
2 Department shall deposit 3.0% into the Income Tax Surcharge
3 Local Government Distributive Fund in the State Treasury.
4 Beginning February 1, 1993 and continuing through June 30,
5 1993, of the amounts collected pursuant to subsections (a) and
6 (b) of Section 201 of the Illinois Income Tax Act, minus
7 deposits into the Income Tax Refund Fund, the Department shall
8 deposit 4.4% into the Income Tax Surcharge Local Government
9 Distributive Fund in the State Treasury. Beginning July 1,
10 1993, and continuing through June 30, 1994, of the amounts
11 collected under subsections (a) and (b) of Section 201 of this
12 Act, minus deposits into the Income Tax Refund Fund, the
13 Department shall deposit 1.475% into the Income Tax Surcharge
14 Local Government Distributive Fund in the State Treasury.
15 (Source: P.A. 94-91, eff. 7-1-05; 94-839, eff. 6-6-06; 95-707,
16 eff. 1-11-08; 95-744, eff. 7-18-08; revised 10-23-08.)

17 Section 5-50. The Motor Fuel Tax Law is amended by changing
18 Section 8 as follows:

19 (35 ILCS 505/8) (from Ch. 120, par. 424)

20 Sec. 8. Except as provided in Section 8a, subdivision
21 (h) (1) of Section 12a, Section 13a.6, and items 13, 14, 15, and
22 16 of Section 15, all money received by the Department under
23 this Act, including payments made to the Department by member
24 jurisdictions participating in the International Fuel Tax

1 Agreement, shall be deposited in a special fund in the State
2 treasury, to be known as the "Motor Fuel Tax Fund", and shall
3 be used as follows:

4 (a) 2 1/2 cents per gallon of the tax collected on special
5 fuel under paragraph (b) of Section 2 and Section 13a of this
6 Act shall be transferred to the State Construction Account Fund
7 in the State Treasury;

8 (b) \$420,000 shall be transferred each month to the State
9 Boating Act Fund to be used by the Department of Natural
10 Resources for the purposes specified in Article X of the Boat
11 Registration and Safety Act;

12 (c) \$2,250,000 shall be transferred each month to the Grade
13 Crossing Protection Fund to be used as follows: not less than
14 \$6,000,000 each fiscal year shall be used for the construction
15 or reconstruction of rail highway grade separation structures;
16 \$2,250,000 in fiscal year 2004 and each fiscal year thereafter
17 shall be transferred to the Transportation Regulatory Fund and
18 shall be accounted for as part of the rail carrier portion of
19 such funds and shall be used to pay the cost of administration
20 of the Illinois Commerce Commission's railroad safety program
21 in connection with its duties under subsection (3) of Section
22 18c-7401 of the Illinois Vehicle Code, with the remainder to be
23 used by the Department of Transportation upon order of the
24 Illinois Commerce Commission, to pay that part of the cost
25 apportioned by such Commission to the State to cover the
26 interest of the public in the use of highways, roads, streets,

1 or pedestrian walkways in the county highway system, township
2 and district road system, or municipal street system as defined
3 in the Illinois Highway Code, as the same may from time to time
4 be amended, for separation of grades, for installation,
5 construction or reconstruction of crossing protection or
6 reconstruction, alteration, relocation including construction
7 or improvement of any existing highway necessary for access to
8 property or improvement of any grade crossing including the
9 necessary highway approaches thereto of any railroad across the
10 highway or public road, or for the installation, construction,
11 reconstruction, or maintenance of a pedestrian walkway over or
12 under a railroad right-of-way, as provided for in and in
13 accordance with Section 18c-7401 of the Illinois Vehicle Code.
14 The Commission shall not order more than \$2,000,000 per year in
15 Grade Crossing Protection Fund moneys for pedestrian walkways.
16 In entering orders for projects for which payments from the
17 Grade Crossing Protection Fund will be made, the Commission
18 shall account for expenditures authorized by the orders on a
19 cash rather than an accrual basis. For purposes of this
20 requirement an "accrual basis" assumes that the total cost of
21 the project is expended in the fiscal year in which the order
22 is entered, while a "cash basis" allocates the cost of the
23 project among fiscal years as expenditures are actually made.
24 To meet the requirements of this subsection, the Illinois
25 Commerce Commission shall develop annual and 5-year project
26 plans of rail crossing capital improvements that will be paid

1 for with moneys from the Grade Crossing Protection Fund. The
2 annual project plan shall identify projects for the succeeding
3 fiscal year and the 5-year project plan shall identify projects
4 for the 5 directly succeeding fiscal years. The Commission
5 shall submit the annual and 5-year project plans for this Fund
6 to the Governor, the President of the Senate, the Senate
7 Minority Leader, the Speaker of the House of Representatives,
8 and the Minority Leader of the House of Representatives on the
9 first Wednesday in April of each year;

10 (d) of the amount remaining after allocations provided for
11 in subsections (a), (b) and (c), a sufficient amount shall be
12 reserved to pay all of the following:

13 (1) the costs of the Department of Revenue in
14 administering this Act;

15 (2) the costs of the Department of Transportation in
16 performing its duties imposed by the Illinois Highway Code
17 for supervising the use of motor fuel tax funds apportioned
18 to municipalities, counties and road districts;

19 (3) refunds provided for in Section 13 of this Act and
20 under the terms of the International Fuel Tax Agreement
21 referenced in Section 14a;

22 (4) from October 1, 1985 until June 30, 1994, the
23 administration of the Vehicle Emissions Inspection Law,
24 which amount shall be certified monthly by the
25 Environmental Protection Agency to the State Comptroller
26 and shall promptly be transferred by the State Comptroller

1 and Treasurer from the Motor Fuel Tax Fund to the Vehicle
2 Inspection Fund, and for the period July 1, 1994 through
3 June 30, 2000, one-twelfth of \$25,000,000 each month, for
4 the period July 1, 2000 through June 30, 2003, one-twelfth
5 of \$30,000,000 each month, and \$15,000,000 on July 1, 2003,
6 and \$15,000,000 on January 1, 2004, and \$15,000,000 on each
7 July 1 and October 1, or as soon thereafter as may be
8 practical, during the period July 1, 2004 through June 30,
9 2010 ~~2009~~, for the administration of the Vehicle Emissions
10 Inspection Law of 2005, to be transferred by the State
11 Comptroller and Treasurer from the Motor Fuel Tax Fund into
12 the Vehicle Inspection Fund;

13 (5) amounts ordered paid by the Court of Claims; and

14 (6) payment of motor fuel use taxes due to member
15 jurisdictions under the terms of the International Fuel Tax
16 Agreement. The Department shall certify these amounts to
17 the Comptroller by the 15th day of each month; the
18 Comptroller shall cause orders to be drawn for such
19 amounts, and the Treasurer shall administer those amounts
20 on or before the last day of each month;

21 (e) after allocations for the purposes set forth in
22 subsections (a), (b), (c) and (d), the remaining amount shall
23 be apportioned as follows:

24 (1) Until January 1, 2000, 58.4%, and beginning January
25 1, 2000, 45.6% shall be deposited as follows:

26 (A) 37% into the State Construction Account Fund,

1 and

2 (B) 63% into the Road Fund, \$1,250,000 of which
3 shall be reserved each month for the Department of
4 Transportation to be used in accordance with the
5 provisions of Sections 6-901 through 6-906 of the
6 Illinois Highway Code;

7 (2) Until January 1, 2000, 41.6%, and beginning January
8 1, 2000, 54.4% shall be transferred to the Department of
9 Transportation to be distributed as follows:

10 (A) 49.10% to the municipalities of the State,

11 (B) 16.74% to the counties of the State having
12 1,000,000 or more inhabitants,

13 (C) 18.27% to the counties of the State having less
14 than 1,000,000 inhabitants,

15 (D) 15.89% to the road districts of the State.

16 As soon as may be after the first day of each month the
17 Department of Transportation shall allot to each municipality
18 its share of the amount apportioned to the several
19 municipalities which shall be in proportion to the population
20 of such municipalities as determined by the last preceding
21 municipal census if conducted by the Federal Government or
22 Federal census. If territory is annexed to any municipality
23 subsequent to the time of the last preceding census the
24 corporate authorities of such municipality may cause a census
25 to be taken of such annexed territory and the population so
26 ascertained for such territory shall be added to the population

1 of the municipality as determined by the last preceding census
2 for the purpose of determining the allotment for that
3 municipality. If the population of any municipality was not
4 determined by the last Federal census preceding any
5 apportionment, the apportionment to such municipality shall be
6 in accordance with any census taken by such municipality. Any
7 municipal census used in accordance with this Section shall be
8 certified to the Department of Transportation by the clerk of
9 such municipality, and the accuracy thereof shall be subject to
10 approval of the Department which may make such corrections as
11 it ascertains to be necessary.

12 As soon as may be after the first day of each month the
13 Department of Transportation shall allot to each county its
14 share of the amount apportioned to the several counties of the
15 State as herein provided. Each allotment to the several
16 counties having less than 1,000,000 inhabitants shall be in
17 proportion to the amount of motor vehicle license fees received
18 from the residents of such counties, respectively, during the
19 preceding calendar year. The Secretary of State shall, on or
20 before April 15 of each year, transmit to the Department of
21 Transportation a full and complete report showing the amount of
22 motor vehicle license fees received from the residents of each
23 county, respectively, during the preceding calendar year. The
24 Department of Transportation shall, each month, use for
25 allotment purposes the last such report received from the
26 Secretary of State.

1 As soon as may be after the first day of each month, the
2 Department of Transportation shall allot to the several
3 counties their share of the amount apportioned for the use of
4 road districts. The allotment shall be apportioned among the
5 several counties in the State in the proportion which the total
6 mileage of township or district roads in the respective
7 counties bears to the total mileage of all township and
8 district roads in the State. Funds allotted to the respective
9 counties for the use of road districts therein shall be
10 allocated to the several road districts in the county in the
11 proportion which the total mileage of such township or district
12 roads in the respective road districts bears to the total
13 mileage of all such township or district roads in the county.
14 After July 1 of any year, no allocation shall be made for any
15 road district unless it levied a tax for road and bridge
16 purposes in an amount which will require the extension of such
17 tax against the taxable property in any such road district at a
18 rate of not less than either .08% of the value thereof, based
19 upon the assessment for the year immediately prior to the year
20 in which such tax was levied and as equalized by the Department
21 of Revenue or, in DuPage County, an amount equal to or greater
22 than \$12,000 per mile of road under the jurisdiction of the
23 road district, whichever is less. If any road district has
24 levied a special tax for road purposes pursuant to Sections
25 6-601, 6-602 and 6-603 of the Illinois Highway Code, and such
26 tax was levied in an amount which would require extension at a

1 rate of not less than .08% of the value of the taxable property
2 thereof, as equalized or assessed by the Department of Revenue,
3 or, in DuPage County, an amount equal to or greater than
4 \$12,000 per mile of road under the jurisdiction of the road
5 district, whichever is less, such levy shall, however, be
6 deemed a proper compliance with this Section and shall qualify
7 such road district for an allotment under this Section. If a
8 township has transferred to the road and bridge fund money
9 which, when added to the amount of any tax levy of the road
10 district would be the equivalent of a tax levy requiring
11 extension at a rate of at least .08%, or, in DuPage County, an
12 amount equal to or greater than \$12,000 per mile of road under
13 the jurisdiction of the road district, whichever is less, such
14 transfer, together with any such tax levy, shall be deemed a
15 proper compliance with this Section and shall qualify the road
16 district for an allotment under this Section.

17 In counties in which a property tax extension limitation is
18 imposed under the Property Tax Extension Limitation Law, road
19 districts may retain their entitlement to a motor fuel tax
20 allotment if, at the time the property tax extension limitation
21 was imposed, the road district was levying a road and bridge
22 tax at a rate sufficient to entitle it to a motor fuel tax
23 allotment and continues to levy the maximum allowable amount
24 after the imposition of the property tax extension limitation.
25 Any road district may in all circumstances retain its
26 entitlement to a motor fuel tax allotment if it levied a road

1 and bridge tax in an amount that will require the extension of
2 the tax against the taxable property in the road district at a
3 rate of not less than 0.08% of the assessed value of the
4 property, based upon the assessment for the year immediately
5 preceding the year in which the tax was levied and as equalized
6 by the Department of Revenue or, in DuPage County, an amount
7 equal to or greater than \$12,000 per mile of road under the
8 jurisdiction of the road district, whichever is less.

9 As used in this Section the term "road district" means any
10 road district, including a county unit road district, provided
11 for by the Illinois Highway Code; and the term "township or
12 district road" means any road in the township and district road
13 system as defined in the Illinois Highway Code. For the
14 purposes of this Section, "road district" also includes park
15 districts, forest preserve districts and conservation
16 districts organized under Illinois law and "township or
17 district road" also includes such roads as are maintained by
18 park districts, forest preserve districts and conservation
19 districts. The Department of Transportation shall determine
20 the mileage of all township and district roads for the purposes
21 of making allotments and allocations of motor fuel tax funds
22 for use in road districts.

23 Payment of motor fuel tax moneys to municipalities and
24 counties shall be made as soon as possible after the allotment
25 is made. The treasurer of the municipality or county may invest
26 these funds until their use is required and the interest earned

1 by these investments shall be limited to the same uses as the
2 principal funds.

3 (Source: P.A. 94-839, eff. 6-6-06; 95-744, eff. 7-18-08.)

4 Section 5-50.5. The Illinois Pension Code is amended by
5 changing Section 14-131 as follows:

6 (40 ILCS 5/14-131) (from Ch. 108 1/2, par. 14-131)

7 Sec. 14-131. Contributions by State.

8 (a) The State shall make contributions to the System by
9 appropriations of amounts which, together with other employer
10 contributions from trust, federal, and other funds, employee
11 contributions, investment income, and other income, will be
12 sufficient to meet the cost of maintaining and administering
13 the System on a 90% funded basis in accordance with actuarial
14 recommendations.

15 For the purposes of this Section and Section 14-135.08,
16 references to State contributions refer only to employer
17 contributions and do not include employee contributions that
18 are picked up or otherwise paid by the State or a department on
19 behalf of the employee.

20 (b) The Board shall determine the total amount of State
21 contributions required for each fiscal year on the basis of the
22 actuarial tables and other assumptions adopted by the Board,
23 using the formula in subsection (e).

24 The Board shall also determine a State contribution rate

1 for each fiscal year, expressed as a percentage of payroll,
2 based on the total required State contribution for that fiscal
3 year (less the amount received by the System from
4 appropriations under Section 8.12 of the State Finance Act and
5 Section 1 of the State Pension Funds Continuing Appropriation
6 Act, if any, for the fiscal year ending on the June 30
7 immediately preceding the applicable November 15 certification
8 deadline), the estimated payroll (including all forms of
9 compensation) for personal services rendered by eligible
10 employees, and the recommendations of the actuary.

11 For the purposes of this Section and Section 14.1 of the
12 State Finance Act, the term "eligible employees" includes
13 employees who participate in the System, persons who may elect
14 to participate in the System but have not so elected, persons
15 who are serving a qualifying period that is required for
16 participation, and annuitants employed by a department as
17 described in subdivision (a) (1) or (a) (2) of Section 14-111.

18 (c) Contributions shall be made by the several departments
19 for each pay period by warrants drawn by the State Comptroller
20 against their respective funds or appropriations based upon
21 vouchers stating the amount to be so contributed. These amounts
22 shall be based on the full rate certified by the Board under
23 Section 14-135.08 for that fiscal year. From the effective date
24 of this amendatory Act of the 93rd General Assembly through the
25 payment of the final payroll from fiscal year 2004
26 appropriations, the several departments shall not make

1 contributions for the remainder of fiscal year 2004 but shall
2 instead make payments as required under subsection (a-1) of
3 Section 14.1 of the State Finance Act. The several departments
4 shall resume those contributions at the commencement of fiscal
5 year 2005.

6 (c-1) Notwithstanding subsection (c) of this Section, for
7 fiscal year 2010 only, contributions by the several departments
8 are not required to be made for General Revenue Funds payrolls
9 processed by the Comptroller. Payrolls paid by the several
10 departments from all other State funds must continue to be
11 processed pursuant to subsection (c) of this Section.

12 (c-2) For State fiscal year 2010 only, on or as soon as
13 possible after the 15th day of each month the Board shall
14 submit vouchers for payment of State contributions to the
15 System, in a total monthly amount of one-twelfth of the fiscal
16 year 2010 General Revenue Fund appropriation to the System.

17 (d) If an employee is paid from trust funds or federal
18 funds, the department or other employer shall pay employer
19 contributions from those funds to the System at the certified
20 rate, unless the terms of the trust or the federal-State
21 agreement preclude the use of the funds for that purpose, in
22 which case the required employer contributions shall be paid by
23 the State. From the effective date of this amendatory Act of
24 the 93rd General Assembly through the payment of the final
25 payroll from fiscal year 2004 appropriations, the department or
26 other employer shall not pay contributions for the remainder of

1 fiscal year 2004 but shall instead make payments as required
2 under subsection (a-1) of Section 14.1 of the State Finance
3 Act. The department or other employer shall resume payment of
4 contributions at the commencement of fiscal year 2005.

5 (e) For State fiscal years 2011 through 2045, the minimum
6 contribution to the System to be made by the State for each
7 fiscal year shall be an amount determined by the System to be
8 sufficient to bring the total assets of the System up to 90% of
9 the total actuarial liabilities of the System by the end of
10 State fiscal year 2045. In making these determinations, the
11 required State contribution shall be calculated each year as a
12 level percentage of payroll over the years remaining to and
13 including fiscal year 2045 and shall be determined under the
14 projected unit credit actuarial cost method.

15 For State fiscal years 1996 through 2005, the State
16 contribution to the System, as a percentage of the applicable
17 employee payroll, shall be increased in equal annual increments
18 so that by State fiscal year 2011, the State is contributing at
19 the rate required under this Section; except that (i) for State
20 fiscal year 1998, for all purposes of this Code and any other
21 law of this State, the certified percentage of the applicable
22 employee payroll shall be 5.052% for employees earning eligible
23 creditable service under Section 14-110 and 6.500% for all
24 other employees, notwithstanding any contrary certification
25 made under Section 14-135.08 before the effective date of this
26 amendatory Act of 1997, and (ii) in the following specified

1 State fiscal years, the State contribution to the System shall
2 not be less than the following indicated percentages of the
3 applicable employee payroll, even if the indicated percentage
4 will produce a State contribution in excess of the amount
5 otherwise required under this subsection and subsection (a):
6 9.8% in FY 1999; 10.0% in FY 2000; 10.2% in FY 2001; 10.4% in FY
7 2002; 10.6% in FY 2003; and 10.8% in FY 2004.

8 Notwithstanding any other provision of this Article, the
9 total required State contribution to the System for State
10 fiscal year 2006 is \$203,783,900.

11 Notwithstanding any other provision of this Article, the
12 total required State contribution to the System for State
13 fiscal year 2007 is \$344,164,400.

14 For each of State fiscal years 2008 through 2010, the State
15 contribution to the System, as a percentage of the applicable
16 employee payroll, shall be increased in equal annual increments
17 from the required State contribution for State fiscal year
18 2007, so that by State fiscal year 2011, the State is
19 contributing at the rate otherwise required under this Section.

20 Beginning in State fiscal year 2046, the minimum State
21 contribution for each fiscal year shall be the amount needed to
22 maintain the total assets of the System at 90% of the total
23 actuarial liabilities of the System.

24 Amounts received by the System pursuant to Section 25 of
25 the Budget Stabilization Act or Section 8.12 of the State
26 Finance Act in any fiscal year do not reduce and do not

1 constitute payment of any portion of the minimum State
2 contribution required under this Article in that fiscal year.
3 Such amounts shall not reduce, and shall not be included in the
4 calculation of, the required State contributions under this
5 Article in any future year until the System has reached a
6 funding ratio of at least 90%. A reference in this Article to
7 the "required State contribution" or any substantially similar
8 term does not include or apply to any amounts payable to the
9 System under Section 25 of the Budget Stabilization Act.

10 Notwithstanding any other provision of this Section, the
11 required State contribution for State fiscal year 2005 and for
12 fiscal year 2008 and each fiscal year thereafter, as calculated
13 under this Section and certified under Section 14-135.08, shall
14 not exceed an amount equal to (i) the amount of the required
15 State contribution that would have been calculated under this
16 Section for that fiscal year if the System had not received any
17 payments under subsection (d) of Section 7.2 of the General
18 Obligation Bond Act, minus (ii) the portion of the State's
19 total debt service payments for that fiscal year on the bonds
20 issued for the purposes of that Section 7.2, as determined and
21 certified by the Comptroller, that is the same as the System's
22 portion of the total moneys distributed under subsection (d) of
23 Section 7.2 of the General Obligation Bond Act. In determining
24 this maximum for State fiscal years 2008 through 2010, however,
25 the amount referred to in item (i) shall be increased, as a
26 percentage of the applicable employee payroll, in equal

1 increments calculated from the sum of the required State
2 contribution for State fiscal year 2007 plus the applicable
3 portion of the State's total debt service payments for fiscal
4 year 2007 on the bonds issued for the purposes of Section 7.2
5 of the General Obligation Bond Act, so that, by State fiscal
6 year 2011, the State is contributing at the rate otherwise
7 required under this Section.

8 (f) After the submission of all payments for eligible
9 employees from personal services line items in fiscal year 2004
10 have been made, the Comptroller shall provide to the System a
11 certification of the sum of all fiscal year 2004 expenditures
12 for personal services that would have been covered by payments
13 to the System under this Section if the provisions of this
14 amendatory Act of the 93rd General Assembly had not been
15 enacted. Upon receipt of the certification, the System shall
16 determine the amount due to the System based on the full rate
17 certified by the Board under Section 14-135.08 for fiscal year
18 2004 in order to meet the State's obligation under this
19 Section. The System shall compare this amount due to the amount
20 received by the System in fiscal year 2004 through payments
21 under this Section and under Section 6z-61 of the State Finance
22 Act. If the amount due is more than the amount received, the
23 difference shall be termed the "Fiscal Year 2004 Shortfall" for
24 purposes of this Section, and the Fiscal Year 2004 Shortfall
25 shall be satisfied under Section 1.2 of the State Pension Funds
26 Continuing Appropriation Act. If the amount due is less than

1 the amount received, the difference shall be termed the "Fiscal
2 Year 2004 Overpayment" for purposes of this Section, and the
3 Fiscal Year 2004 Overpayment shall be repaid by the System to
4 the Pension Contribution Fund as soon as practicable after the
5 certification.

6 (g) After the submission of all payments for eligible
7 employees from personal services line items paid from the
8 General Revenue Fund in fiscal year 2010 have been made, the
9 Comptroller shall provide to the System a certification of the
10 sum of all fiscal year 2010 expenditures for personal services
11 that would have been covered by payments to the System under
12 this Section if the provisions of this amendatory Act of the
13 96th General Assembly had not been enacted. Upon receipt of the
14 certification, the System shall determine the amount due to the
15 System based on the full rate certified by the Board under
16 Section 14-135.08 for fiscal year 2010 in order to meet the
17 State's obligation under this Section. The System shall compare
18 this amount due to the amount received by the System in fiscal
19 year 2010 through payments under this Section. If the amount
20 due is more than the amount received, the difference shall be
21 termed the "Fiscal Year 2010 Shortfall" for purposes of this
22 Section, and the Fiscal Year 2010 Shortfall shall be satisfied
23 under Section 1.2 of the State Pension Funds Continuing
24 Appropriation Act. If the amount due is less than the amount
25 received, the difference shall be termed the "Fiscal Year 2010
26 Overpayment" for purposes of this Section, and the Fiscal Year

1 2010 Overpayment shall be repaid by the System to the General
2 Revenue Fund as soon as practicable after the certification.

3 (Source: P.A. 94-4, eff. 6-1-05; 94-839, eff. 6-6-06; 95-950,
4 eff. 8-29-08.)

5 Section 5-50.6. The State Pension Funds Continuing
6 Appropriation Act is amended by changing Section 1.2 as
7 follows:

8 (40 ILCS 15/1.2)

9 Sec. 1.2. Appropriations for the State Employees'
10 Retirement System.

11 (a) From each fund from which an amount is appropriated for
12 personal services to a department or other employer under
13 Article 14 of the Illinois Pension Code, there is hereby
14 appropriated to that department or other employer, on a
15 continuing annual basis for each State fiscal year, an
16 additional amount equal to the amount, if any, by which (1) an
17 amount equal to the percentage of the personal services line
18 item for that department or employer from that fund for that
19 fiscal year that the Board of Trustees of the State Employees'
20 Retirement System of Illinois has certified under Section
21 14-135.08 of the Illinois Pension Code to be necessary to meet
22 the State's obligation under Section 14-131 of the Illinois
23 Pension Code for that fiscal year, exceeds (2) the amounts
24 otherwise appropriated to that department or employer from that

1 fund for State contributions to the State Employees' Retirement
2 System for that fiscal year. From the effective date of this
3 amendatory Act of the 93rd General Assembly through the final
4 payment from a department or employer's personal services line
5 item for fiscal year 2004, payments to the State Employees'
6 Retirement System that otherwise would have been made under
7 this subsection (a) shall be governed by the provisions in
8 subsection (a-1).

9 (a-1) If a Fiscal Year 2004 Shortfall is certified under
10 subsection (f) of Section 14-131 of the Illinois Pension Code,
11 there is hereby appropriated to the State Employees' Retirement
12 System of Illinois on a continuing basis from the General
13 Revenue Fund an additional aggregate amount equal to the Fiscal
14 Year 2004 Shortfall.

15 (a-2) If a Fiscal Year 2010 Shortfall is certified under
16 subsection (g) of Section 14-131 of the Illinois Pension Code,
17 there is hereby appropriated to the State Employees' Retirement
18 System of Illinois on a continuing basis from the General
19 Revenue Fund an additional aggregate amount equal to the Fiscal
20 Year 2010 Shortfall.

21 (b) The continuing appropriations provided for by this
22 Section shall first be available in State fiscal year 1996.

23 (c) Beginning in Fiscal Year 2005, any continuing
24 appropriation under this Section arising out of an
25 appropriation for personal services from the Road Fund to the
26 Department of State Police or the Secretary of State shall be

1 payable from the General Revenue Fund rather than the Road
2 Fund.

3 (Source: P.A. 93-665, eff. 3-5-04; 93-1067, eff. 1-15-05.)

4 Section 5-51. The School Code is amended by changing
5 Section 18-8.05 as follows:

6 (105 ILCS 5/18-8.05)

7 Sec. 18-8.05. Basis for apportionment of general State
8 financial aid and supplemental general State aid to the common
9 schools for the 1998-1999 and subsequent school years.

10 (A) General Provisions.

11 (1) The provisions of this Section apply to the 1998-1999
12 and subsequent school years. The system of general State
13 financial aid provided for in this Section is designed to
14 assure that, through a combination of State financial aid and
15 required local resources, the financial support provided each
16 pupil in Average Daily Attendance equals or exceeds a
17 prescribed per pupil Foundation Level. This formula approach
18 imputes a level of per pupil Available Local Resources and
19 provides for the basis to calculate a per pupil level of
20 general State financial aid that, when added to Available Local
21 Resources, equals or exceeds the Foundation Level. The amount
22 of per pupil general State financial aid for school districts,
23 in general, varies in inverse relation to Available Local

1 Resources. Per pupil amounts are based upon each school
2 district's Average Daily Attendance as that term is defined in
3 this Section.

4 (2) In addition to general State financial aid, school
5 districts with specified levels or concentrations of pupils
6 from low income households are eligible to receive supplemental
7 general State financial aid grants as provided pursuant to
8 subsection (H). The supplemental State aid grants provided for
9 school districts under subsection (H) shall be appropriated for
10 distribution to school districts as part of the same line item
11 in which the general State financial aid of school districts is
12 appropriated under this Section.

13 (3) To receive financial assistance under this Section,
14 school districts are required to file claims with the State
15 Board of Education, subject to the following requirements:

16 (a) Any school district which fails for any given
17 school year to maintain school as required by law, or to
18 maintain a recognized school is not eligible to file for
19 such school year any claim upon the Common School Fund. In
20 case of nonrecognition of one or more attendance centers in
21 a school district otherwise operating recognized schools,
22 the claim of the district shall be reduced in the
23 proportion which the Average Daily Attendance in the
24 attendance center or centers bear to the Average Daily
25 Attendance in the school district. A "recognized school"
26 means any public school which meets the standards as

1 established for recognition by the State Board of
2 Education. A school district or attendance center not
3 having recognition status at the end of a school term is
4 entitled to receive State aid payments due upon a legal
5 claim which was filed while it was recognized.

6 (b) School district claims filed under this Section are
7 subject to Sections 18-9 and 18-12, except as otherwise
8 provided in this Section.

9 (c) If a school district operates a full year school
10 under Section 10-19.1, the general State aid to the school
11 district shall be determined by the State Board of
12 Education in accordance with this Section as near as may be
13 applicable.

14 (d) (Blank).

15 (4) Except as provided in subsections (H) and (L), the
16 board of any district receiving any of the grants provided for
17 in this Section may apply those funds to any fund so received
18 for which that board is authorized to make expenditures by law.

19 School districts are not required to exert a minimum
20 Operating Tax Rate in order to qualify for assistance under
21 this Section.

22 (5) As used in this Section the following terms, when
23 capitalized, shall have the meaning ascribed herein:

24 (a) "Average Daily Attendance": A count of pupil
25 attendance in school, averaged as provided for in
26 subsection (C) and utilized in deriving per pupil financial

1 support levels.

2 (b) "Available Local Resources": A computation of
3 local financial support, calculated on the basis of Average
4 Daily Attendance and derived as provided pursuant to
5 subsection (D).

6 (c) "Corporate Personal Property Replacement Taxes":
7 Funds paid to local school districts pursuant to "An Act in
8 relation to the abolition of ad valorem personal property
9 tax and the replacement of revenues lost thereby, and
10 amending and repealing certain Acts and parts of Acts in
11 connection therewith", certified August 14, 1979, as
12 amended (Public Act 81-1st S.S.-1).

13 (d) "Foundation Level": A prescribed level of per pupil
14 financial support as provided for in subsection (B).

15 (e) "Operating Tax Rate": All school district property
16 taxes extended for all purposes, except Bond and Interest,
17 Summer School, Rent, Capital Improvement, and Vocational
18 Education Building purposes.

19 (B) Foundation Level.

20 (1) The Foundation Level is a figure established by the
21 State representing the minimum level of per pupil financial
22 support that should be available to provide for the basic
23 education of each pupil in Average Daily Attendance. As set
24 forth in this Section, each school district is assumed to exert
25 a sufficient local taxing effort such that, in combination with

1 the aggregate of general State financial aid provided the
2 district, an aggregate of State and local resources are
3 available to meet the basic education needs of pupils in the
4 district.

5 (2) For the 1998-1999 school year, the Foundation Level of
6 support is \$4,225. For the 1999-2000 school year, the
7 Foundation Level of support is \$4,325. For the 2000-2001 school
8 year, the Foundation Level of support is \$4,425. For the
9 2001-2002 school year and 2002-2003 school year, the Foundation
10 Level of support is \$4,560. For the 2003-2004 school year, the
11 Foundation Level of support is \$4,810. For the 2004-2005 school
12 year, the Foundation Level of support is \$4,964. For the
13 2005-2006 school year, the Foundation Level of support is
14 \$5,164. For the 2006-2007 school year, the Foundation Level of
15 support is \$5,334. For the 2007-2008 school year, the
16 Foundation Level of support is \$5,734. For the 2008-2009 school
17 year, the Foundation Level of support is \$5,959.

18 (3) For the 2009-2010 ~~2008-2009~~ school year and each school
19 year thereafter, the Foundation Level of support is \$6,119
20 ~~\$5,959~~ or such greater amount as may be established by law by
21 the General Assembly.

22 (C) Average Daily Attendance.

23 (1) For purposes of calculating general State aid pursuant
24 to subsection (E), an Average Daily Attendance figure shall be
25 utilized. The Average Daily Attendance figure for formula

1 calculation purposes shall be the monthly average of the actual
2 number of pupils in attendance of each school district, as
3 further averaged for the best 3 months of pupil attendance for
4 each school district. In compiling the figures for the number
5 of pupils in attendance, school districts and the State Board
6 of Education shall, for purposes of general State aid funding,
7 conform attendance figures to the requirements of subsection
8 (F).

9 (2) The Average Daily Attendance figures utilized in
10 subsection (E) shall be the requisite attendance data for the
11 school year immediately preceding the school year for which
12 general State aid is being calculated or the average of the
13 attendance data for the 3 preceding school years, whichever is
14 greater. The Average Daily Attendance figures utilized in
15 subsection (H) shall be the requisite attendance data for the
16 school year immediately preceding the school year for which
17 general State aid is being calculated.

18 (D) Available Local Resources.

19 (1) For purposes of calculating general State aid pursuant
20 to subsection (E), a representation of Available Local
21 Resources per pupil, as that term is defined and determined in
22 this subsection, shall be utilized. Available Local Resources
23 per pupil shall include a calculated dollar amount representing
24 local school district revenues from local property taxes and
25 from Corporate Personal Property Replacement Taxes, expressed

1 on the basis of pupils in Average Daily Attendance. Calculation
2 of Available Local Resources shall exclude any tax amnesty
3 funds received as a result of Public Act 93-26.

4 (2) In determining a school district's revenue from local
5 property taxes, the State Board of Education shall utilize the
6 equalized assessed valuation of all taxable property of each
7 school district as of September 30 of the previous year. The
8 equalized assessed valuation utilized shall be obtained and
9 determined as provided in subsection (G).

10 (3) For school districts maintaining grades kindergarten
11 through 12, local property tax revenues per pupil shall be
12 calculated as the product of the applicable equalized assessed
13 valuation for the district multiplied by 3.00%, and divided by
14 the district's Average Daily Attendance figure. For school
15 districts maintaining grades kindergarten through 8, local
16 property tax revenues per pupil shall be calculated as the
17 product of the applicable equalized assessed valuation for the
18 district multiplied by 2.30%, and divided by the district's
19 Average Daily Attendance figure. For school districts
20 maintaining grades 9 through 12, local property tax revenues
21 per pupil shall be the applicable equalized assessed valuation
22 of the district multiplied by 1.05%, and divided by the
23 district's Average Daily Attendance figure.

24 For partial elementary unit districts created pursuant to
25 Article 11E of this Code, local property tax revenues per pupil
26 shall be calculated as the product of the equalized assessed

1 valuation for property within the partial elementary unit
2 district for elementary purposes, as defined in Article 11E of
3 this Code, multiplied by 2.06% and divided by the district's
4 Average Daily Attendance figure, plus the product of the
5 equalized assessed valuation for property within the partial
6 elementary unit district for high school purposes, as defined
7 in Article 11E of this Code, multiplied by 0.94% and divided by
8 the district's Average Daily Attendance figure.

9 (4) The Corporate Personal Property Replacement Taxes paid
10 to each school district during the calendar year 2 years before
11 the calendar year in which a school year begins, divided by the
12 Average Daily Attendance figure for that district, shall be
13 added to the local property tax revenues per pupil as derived
14 by the application of the immediately preceding paragraph (3).
15 The sum of these per pupil figures for each school district
16 shall constitute Available Local Resources as that term is
17 utilized in subsection (E) in the calculation of general State
18 aid.

19 (E) Computation of General State Aid.

20 (1) For each school year, the amount of general State aid
21 allotted to a school district shall be computed by the State
22 Board of Education as provided in this subsection.

23 (2) For any school district for which Available Local
24 Resources per pupil is less than the product of 0.93 times the
25 Foundation Level, general State aid for that district shall be

1 calculated as an amount equal to the Foundation Level minus
2 Available Local Resources, multiplied by the Average Daily
3 Attendance of the school district.

4 (3) For any school district for which Available Local
5 Resources per pupil is equal to or greater than the product of
6 0.93 times the Foundation Level and less than the product of
7 1.75 times the Foundation Level, the general State aid per
8 pupil shall be a decimal proportion of the Foundation Level
9 derived using a linear algorithm. Under this linear algorithm,
10 the calculated general State aid per pupil shall decline in
11 direct linear fashion from 0.07 times the Foundation Level for
12 a school district with Available Local Resources equal to the
13 product of 0.93 times the Foundation Level, to 0.05 times the
14 Foundation Level for a school district with Available Local
15 Resources equal to the product of 1.75 times the Foundation
16 Level. The allocation of general State aid for school districts
17 subject to this paragraph 3 shall be the calculated general
18 State aid per pupil figure multiplied by the Average Daily
19 Attendance of the school district.

20 (4) For any school district for which Available Local
21 Resources per pupil equals or exceeds the product of 1.75 times
22 the Foundation Level, the general State aid for the school
23 district shall be calculated as the product of \$218 multiplied
24 by the Average Daily Attendance of the school district.

25 (5) The amount of general State aid allocated to a school
26 district for the 1999-2000 school year meeting the requirements

1 set forth in paragraph (4) of subsection (G) shall be increased
2 by an amount equal to the general State aid that would have
3 been received by the district for the 1998-1999 school year by
4 utilizing the Extension Limitation Equalized Assessed
5 Valuation as calculated in paragraph (4) of subsection (G) less
6 the general State aid allotted for the 1998-1999 school year.
7 This amount shall be deemed a one time increase, and shall not
8 affect any future general State aid allocations.

9 (F) Compilation of Average Daily Attendance.

10 (1) Each school district shall, by July 1 of each year,
11 submit to the State Board of Education, on forms prescribed by
12 the State Board of Education, attendance figures for the school
13 year that began in the preceding calendar year. The attendance
14 information so transmitted shall identify the average daily
15 attendance figures for each month of the school year. Beginning
16 with the general State aid claim form for the 2002-2003 school
17 year, districts shall calculate Average Daily Attendance as
18 provided in subdivisions (a), (b), and (c) of this paragraph
19 (1).

20 (a) In districts that do not hold year-round classes,
21 days of attendance in August shall be added to the month of
22 September and any days of attendance in June shall be added
23 to the month of May.

24 (b) In districts in which all buildings hold year-round
25 classes, days of attendance in July and August shall be

1 added to the month of September and any days of attendance
2 in June shall be added to the month of May.

3 (c) In districts in which some buildings, but not all,
4 hold year-round classes, for the non-year-round buildings,
5 days of attendance in August shall be added to the month of
6 September and any days of attendance in June shall be added
7 to the month of May. The average daily attendance for the
8 year-round buildings shall be computed as provided in
9 subdivision (b) of this paragraph (1). To calculate the
10 Average Daily Attendance for the district, the average
11 daily attendance for the year-round buildings shall be
12 multiplied by the days in session for the non-year-round
13 buildings for each month and added to the monthly
14 attendance of the non-year-round buildings.

15 Except as otherwise provided in this Section, days of
16 attendance by pupils shall be counted only for sessions of not
17 less than 5 clock hours of school work per day under direct
18 supervision of: (i) teachers, or (ii) non-teaching personnel or
19 volunteer personnel when engaging in non-teaching duties and
20 supervising in those instances specified in subsection (a) of
21 Section 10-22.34 and paragraph 10 of Section 34-18, with pupils
22 of legal school age and in kindergarten and grades 1 through
23 12.

24 Days of attendance by tuition pupils shall be accredited
25 only to the districts that pay the tuition to a recognized
26 school.

1 (2) Days of attendance by pupils of less than 5 clock hours
2 of school shall be subject to the following provisions in the
3 compilation of Average Daily Attendance.

4 (a) Pupils regularly enrolled in a public school for
5 only a part of the school day may be counted on the basis
6 of 1/6 day for every class hour of instruction of 40
7 minutes or more attended pursuant to such enrollment,
8 unless a pupil is enrolled in a block-schedule format of 80
9 minutes or more of instruction, in which case the pupil may
10 be counted on the basis of the proportion of minutes of
11 school work completed each day to the minimum number of
12 minutes that school work is required to be held that day.

13 (b) Days of attendance may be less than 5 clock hours
14 on the opening and closing of the school term, and upon the
15 first day of pupil attendance, if preceded by a day or days
16 utilized as an institute or teachers' workshop.

17 (c) A session of 4 or more clock hours may be counted
18 as a day of attendance upon certification by the regional
19 superintendent, and approved by the State Superintendent
20 of Education to the extent that the district has been
21 forced to use daily multiple sessions.

22 (d) A session of 3 or more clock hours may be counted
23 as a day of attendance (1) when the remainder of the school
24 day or at least 2 hours in the evening of that day is
25 utilized for an in-service training program for teachers,
26 up to a maximum of 5 days per school year of which a

1 maximum of 4 days of such 5 days may be used for
2 parent-teacher conferences, provided a district conducts
3 an in-service training program for teachers which has been
4 approved by the State Superintendent of Education; or, in
5 lieu of 4 such days, 2 full days may be used, in which
6 event each such day may be counted as a day of attendance;
7 and (2) when days in addition to those provided in item (1)
8 are scheduled by a school pursuant to its school
9 improvement plan adopted under Article 34 or its revised or
10 amended school improvement plan adopted under Article 2,
11 provided that (i) such sessions of 3 or more clock hours
12 are scheduled to occur at regular intervals, (ii) the
13 remainder of the school days in which such sessions occur
14 are utilized for in-service training programs or other
15 staff development activities for teachers, and (iii) a
16 sufficient number of minutes of school work under the
17 direct supervision of teachers are added to the school days
18 between such regularly scheduled sessions to accumulate
19 not less than the number of minutes by which such sessions
20 of 3 or more clock hours fall short of 5 clock hours. Any
21 full days used for the purposes of this paragraph shall not
22 be considered for computing average daily attendance. Days
23 scheduled for in-service training programs, staff
24 development activities, or parent-teacher conferences may
25 be scheduled separately for different grade levels and
26 different attendance centers of the district.

1 (e) A session of not less than one clock hour of
2 teaching hospitalized or homebound pupils on-site or by
3 telephone to the classroom may be counted as 1/2 day of
4 attendance, however these pupils must receive 4 or more
5 clock hours of instruction to be counted for a full day of
6 attendance.

7 (f) A session of at least 4 clock hours may be counted
8 as a day of attendance for first grade pupils, and pupils
9 in full day kindergartens, and a session of 2 or more hours
10 may be counted as 1/2 day of attendance by pupils in
11 kindergartens which provide only 1/2 day of attendance.

12 (g) For children with disabilities who are below the
13 age of 6 years and who cannot attend 2 or more clock hours
14 because of their disability or immaturity, a session of not
15 less than one clock hour may be counted as 1/2 day of
16 attendance; however for such children whose educational
17 needs so require a session of 4 or more clock hours may be
18 counted as a full day of attendance.

19 (h) A recognized kindergarten which provides for only
20 1/2 day of attendance by each pupil shall not have more
21 than 1/2 day of attendance counted in any one day. However,
22 kindergartens may count 2 1/2 days of attendance in any 5
23 consecutive school days. When a pupil attends such a
24 kindergarten for 2 half days on any one school day, the
25 pupil shall have the following day as a day absent from
26 school, unless the school district obtains permission in

1 writing from the State Superintendent of Education.
2 Attendance at kindergartens which provide for a full day of
3 attendance by each pupil shall be counted the same as
4 attendance by first grade pupils. Only the first year of
5 attendance in one kindergarten shall be counted, except in
6 case of children who entered the kindergarten in their
7 fifth year whose educational development requires a second
8 year of kindergarten as determined under the rules and
9 regulations of the State Board of Education.

10 (i) On the days when the Prairie State Achievement
11 Examination is administered under subsection (c) of
12 Section 2-3.64 of this Code, the day of attendance for a
13 pupil whose school day must be shortened to accommodate
14 required testing procedures may be less than 5 clock hours
15 and shall be counted towards the 176 days of actual pupil
16 attendance required under Section 10-19 of this Code,
17 provided that a sufficient number of minutes of school work
18 in excess of 5 clock hours are first completed on other
19 school days to compensate for the loss of school work on
20 the examination days.

21 (G) Equalized Assessed Valuation Data.

22 (1) For purposes of the calculation of Available Local
23 Resources required pursuant to subsection (D), the State Board
24 of Education shall secure from the Department of Revenue the
25 value as equalized or assessed by the Department of Revenue of

1 all taxable property of every school district, together with
2 (i) the applicable tax rate used in extending taxes for the
3 funds of the district as of September 30 of the previous year
4 and (ii) the limiting rate for all school districts subject to
5 property tax extension limitations as imposed under the
6 Property Tax Extension Limitation Law.

7 The Department of Revenue shall add to the equalized
8 assessed value of all taxable property of each school district
9 situated entirely or partially within a county that is or was
10 subject to the provisions of Section 15-176 or 15-177 of the
11 Property Tax Code (a) an amount equal to the total amount by
12 which the homestead exemption allowed under Section 15-176 or
13 15-177 of the Property Tax Code for real property situated in
14 that school district exceeds the total amount that would have
15 been allowed in that school district if the maximum reduction
16 under Section 15-176 was (i) \$4,500 in Cook County or \$3,500 in
17 all other counties in tax year 2003 or (ii) \$5,000 in all
18 counties in tax year 2004 and thereafter and (b) an amount
19 equal to the aggregate amount for the taxable year of all
20 additional exemptions under Section 15-175 of the Property Tax
21 Code for owners with a household income of \$30,000 or less. The
22 county clerk of any county that is or was subject to the
23 provisions of Section 15-176 or 15-177 of the Property Tax Code
24 shall annually calculate and certify to the Department of
25 Revenue for each school district all homestead exemption
26 amounts under Section 15-176 or 15-177 of the Property Tax Code

1 and all amounts of additional exemptions under Section 15-175
2 of the Property Tax Code for owners with a household income of
3 \$30,000 or less. It is the intent of this paragraph that if the
4 general homestead exemption for a parcel of property is
5 determined under Section 15-176 or 15-177 of the Property Tax
6 Code rather than Section 15-175, then the calculation of
7 Available Local Resources shall not be affected by the
8 difference, if any, between the amount of the general homestead
9 exemption allowed for that parcel of property under Section
10 15-176 or 15-177 of the Property Tax Code and the amount that
11 would have been allowed had the general homestead exemption for
12 that parcel of property been determined under Section 15-175 of
13 the Property Tax Code. It is further the intent of this
14 paragraph that if additional exemptions are allowed under
15 Section 15-175 of the Property Tax Code for owners with a
16 household income of less than \$30,000, then the calculation of
17 Available Local Resources shall not be affected by the
18 difference, if any, because of those additional exemptions.

19 This equalized assessed valuation, as adjusted further by
20 the requirements of this subsection, shall be utilized in the
21 calculation of Available Local Resources.

22 (2) The equalized assessed valuation in paragraph (1) shall
23 be adjusted, as applicable, in the following manner:

24 (a) For the purposes of calculating State aid under
25 this Section, with respect to any part of a school district
26 within a redevelopment project area in respect to which a

1 municipality has adopted tax increment allocation
2 financing pursuant to the Tax Increment Allocation
3 Redevelopment Act, Sections 11-74.4-1 through 11-74.4-11
4 of the Illinois Municipal Code or the Industrial Jobs
5 Recovery Law, Sections 11-74.6-1 through 11-74.6-50 of the
6 Illinois Municipal Code, no part of the current equalized
7 assessed valuation of real property located in any such
8 project area which is attributable to an increase above the
9 total initial equalized assessed valuation of such
10 property shall be used as part of the equalized assessed
11 valuation of the district, until such time as all
12 redevelopment project costs have been paid, as provided in
13 Section 11-74.4-8 of the Tax Increment Allocation
14 Redevelopment Act or in Section 11-74.6-35 of the
15 Industrial Jobs Recovery Law. For the purpose of the
16 equalized assessed valuation of the district, the total
17 initial equalized assessed valuation or the current
18 equalized assessed valuation, whichever is lower, shall be
19 used until such time as all redevelopment project costs
20 have been paid.

21 (b) The real property equalized assessed valuation for
22 a school district shall be adjusted by subtracting from the
23 real property value as equalized or assessed by the
24 Department of Revenue for the district an amount computed
25 by dividing the amount of any abatement of taxes under
26 Section 18-170 of the Property Tax Code by 3.00% for a

1 district maintaining grades kindergarten through 12, by
2 2.30% for a district maintaining grades kindergarten
3 through 8, or by 1.05% for a district maintaining grades 9
4 through 12 and adjusted by an amount computed by dividing
5 the amount of any abatement of taxes under subsection (a)
6 of Section 18-165 of the Property Tax Code by the same
7 percentage rates for district type as specified in this
8 subparagraph (b).

9 (3) For the 1999-2000 school year and each school year
10 thereafter, if a school district meets all of the criteria of
11 this subsection (G) (3), the school district's Available Local
12 Resources shall be calculated under subsection (D) using the
13 district's Extension Limitation Equalized Assessed Valuation
14 as calculated under this subsection (G) (3).

15 For purposes of this subsection (G) (3) the following terms
16 shall have the following meanings:

17 "Budget Year": The school year for which general State
18 aid is calculated and awarded under subsection (E).

19 "Base Tax Year": The property tax levy year used to
20 calculate the Budget Year allocation of general State aid.

21 "Preceding Tax Year": The property tax levy year
22 immediately preceding the Base Tax Year.

23 "Base Tax Year's Tax Extension": The product of the
24 equalized assessed valuation utilized by the County Clerk
25 in the Base Tax Year multiplied by the limiting rate as
26 calculated by the County Clerk and defined in the Property

1 Tax Extension Limitation Law.

2 "Preceding Tax Year's Tax Extension": The product of
3 the equalized assessed valuation utilized by the County
4 Clerk in the Preceding Tax Year multiplied by the Operating
5 Tax Rate as defined in subsection (A).

6 "Extension Limitation Ratio": A numerical ratio,
7 certified by the County Clerk, in which the numerator is
8 the Base Tax Year's Tax Extension and the denominator is
9 the Preceding Tax Year's Tax Extension.

10 "Operating Tax Rate": The operating tax rate as defined
11 in subsection (A).

12 If a school district is subject to property tax extension
13 limitations as imposed under the Property Tax Extension
14 Limitation Law, the State Board of Education shall calculate
15 the Extension Limitation Equalized Assessed Valuation of that
16 district. For the 1999-2000 school year, the Extension
17 Limitation Equalized Assessed Valuation of a school district as
18 calculated by the State Board of Education shall be equal to
19 the product of the district's 1996 Equalized Assessed Valuation
20 and the district's Extension Limitation Ratio. For the
21 2000-2001 school year and each school year thereafter, the
22 Extension Limitation Equalized Assessed Valuation of a school
23 district as calculated by the State Board of Education shall be
24 equal to the product of the Equalized Assessed Valuation last
25 used in the calculation of general State aid and the district's
26 Extension Limitation Ratio. If the Extension Limitation

1 Equalized Assessed Valuation of a school district as calculated
2 under this subsection (G)(3) is less than the district's
3 equalized assessed valuation as calculated pursuant to
4 subsections (G)(1) and (G)(2), then for purposes of calculating
5 the district's general State aid for the Budget Year pursuant
6 to subsection (E), that Extension Limitation Equalized
7 Assessed Valuation shall be utilized to calculate the
8 district's Available Local Resources under subsection (D).

9 Partial elementary unit districts created in accordance
10 with Article 11E of this Code shall not be eligible for the
11 adjustment in this subsection (G)(3) until the fifth year
12 following the effective date of the reorganization.

13 (4) For the purposes of calculating general State aid for
14 the 1999-2000 school year only, if a school district
15 experienced a triennial reassessment on the equalized assessed
16 valuation used in calculating its general State financial aid
17 apportionment for the 1998-1999 school year, the State Board of
18 Education shall calculate the Extension Limitation Equalized
19 Assessed Valuation that would have been used to calculate the
20 district's 1998-1999 general State aid. This amount shall equal
21 the product of the equalized assessed valuation used to
22 calculate general State aid for the 1997-1998 school year and
23 the district's Extension Limitation Ratio. If the Extension
24 Limitation Equalized Assessed Valuation of the school district
25 as calculated under this paragraph (4) is less than the
26 district's equalized assessed valuation utilized in

1 calculating the district's 1998-1999 general State aid
2 allocation, then for purposes of calculating the district's
3 general State aid pursuant to paragraph (5) of subsection (E),
4 that Extension Limitation Equalized Assessed Valuation shall
5 be utilized to calculate the district's Available Local
6 Resources.

7 (5) For school districts having a majority of their
8 equalized assessed valuation in any county except Cook, DuPage,
9 Kane, Lake, McHenry, or Will, if the amount of general State
10 aid allocated to the school district for the 1999-2000 school
11 year under the provisions of subsection (E), (H), and (J) of
12 this Section is less than the amount of general State aid
13 allocated to the district for the 1998-1999 school year under
14 these subsections, then the general State aid of the district
15 for the 1999-2000 school year only shall be increased by the
16 difference between these amounts. The total payments made under
17 this paragraph (5) shall not exceed \$14,000,000. Claims shall
18 be prorated if they exceed \$14,000,000.

19 (H) Supplemental General State Aid.

20 (1) In addition to the general State aid a school district
21 is allotted pursuant to subsection (E), qualifying school
22 districts shall receive a grant, paid in conjunction with a
23 district's payments of general State aid, for supplemental
24 general State aid based upon the concentration level of
25 children from low-income households within the school

1 district. Supplemental State aid grants provided for school
2 districts under this subsection shall be appropriated for
3 distribution to school districts as part of the same line item
4 in which the general State financial aid of school districts is
5 appropriated under this Section. If the appropriation in any
6 fiscal year for general State aid and supplemental general
7 State aid is insufficient to pay the amounts required under the
8 general State aid and supplemental general State aid
9 calculations, then the State Board of Education shall ensure
10 that each school district receives the full amount due for
11 general State aid and the remainder of the appropriation shall
12 be used for supplemental general State aid, which the State
13 Board of Education shall calculate and pay to eligible
14 districts on a prorated basis.

15 (1.5) This paragraph (1.5) applies only to those school
16 years preceding the 2003-2004 school year. For purposes of this
17 subsection (H), the term "Low-Income Concentration Level"
18 shall be the low-income eligible pupil count from the most
19 recently available federal census divided by the Average Daily
20 Attendance of the school district. If, however, (i) the
21 percentage decrease from the 2 most recent federal censuses in
22 the low-income eligible pupil count of a high school district
23 with fewer than 400 students exceeds by 75% or more the
24 percentage change in the total low-income eligible pupil count
25 of contiguous elementary school districts, whose boundaries
26 are coterminous with the high school district, or (ii) a high

1 school district within 2 counties and serving 5 elementary
2 school districts, whose boundaries are coterminous with the
3 high school district, has a percentage decrease from the 2 most
4 recent federal censuses in the low-income eligible pupil count
5 and there is a percentage increase in the total low-income
6 eligible pupil count of a majority of the elementary school
7 districts in excess of 50% from the 2 most recent federal
8 censuses, then the high school district's low-income eligible
9 pupil count from the earlier federal census shall be the number
10 used as the low-income eligible pupil count for the high school
11 district, for purposes of this subsection (H). The changes made
12 to this paragraph (1) by Public Act 92-28 shall apply to
13 supplemental general State aid grants for school years
14 preceding the 2003-2004 school year that are paid in fiscal
15 year 1999 or thereafter and to any State aid payments made in
16 fiscal year 1994 through fiscal year 1998 pursuant to
17 subsection 1(n) of Section 18-8 of this Code (which was
18 repealed on July 1, 1998), and any high school district that is
19 affected by Public Act 92-28 is entitled to a recomputation of
20 its supplemental general State aid grant or State aid paid in
21 any of those fiscal years. This recomputation shall not be
22 affected by any other funding.

23 (1.10) This paragraph (1.10) applies to the 2003-2004
24 school year and each school year thereafter. For purposes of
25 this subsection (H), the term "Low-Income Concentration Level"
26 shall, for each fiscal year, be the low-income eligible pupil

1 count as of July 1 of the immediately preceding fiscal year (as
2 determined by the Department of Human Services based on the
3 number of pupils who are eligible for at least one of the
4 following low income programs: Medicaid, the Children's Health
5 Insurance Program ~~KidCare~~, TANF, or Food Stamps, excluding
6 pupils who are eligible for services provided by the Department
7 of Children and Family Services, averaged over the 2
8 immediately preceding fiscal years for fiscal year 2004 and
9 over the 3 immediately preceding fiscal years for each fiscal
10 year thereafter) divided by the Average Daily Attendance of the
11 school district.

12 (2) Supplemental general State aid pursuant to this
13 subsection (H) shall be provided as follows for the 1998-1999,
14 1999-2000, and 2000-2001 school years only:

15 (a) For any school district with a Low Income
16 Concentration Level of at least 20% and less than 35%, the
17 grant for any school year shall be \$800 multiplied by the
18 low income eligible pupil count.

19 (b) For any school district with a Low Income
20 Concentration Level of at least 35% and less than 50%, the
21 grant for the 1998-1999 school year shall be \$1,100
22 multiplied by the low income eligible pupil count.

23 (c) For any school district with a Low Income
24 Concentration Level of at least 50% and less than 60%, the
25 grant for the 1998-99 school year shall be \$1,500
26 multiplied by the low income eligible pupil count.

1 (d) For any school district with a Low Income
2 Concentration Level of 60% or more, the grant for the
3 1998-99 school year shall be \$1,900 multiplied by the low
4 income eligible pupil count.

5 (e) For the 1999-2000 school year, the per pupil amount
6 specified in subparagraphs (b), (c), and (d) immediately
7 above shall be increased to \$1,243, \$1,600, and \$2,000,
8 respectively.

9 (f) For the 2000-2001 school year, the per pupil
10 amounts specified in subparagraphs (b), (c), and (d)
11 immediately above shall be \$1,273, \$1,640, and \$2,050,
12 respectively.

13 (2.5) Supplemental general State aid pursuant to this
14 subsection (H) shall be provided as follows for the 2002-2003
15 school year:

16 (a) For any school district with a Low Income
17 Concentration Level of less than 10%, the grant for each
18 school year shall be \$355 multiplied by the low income
19 eligible pupil count.

20 (b) For any school district with a Low Income
21 Concentration Level of at least 10% and less than 20%, the
22 grant for each school year shall be \$675 multiplied by the
23 low income eligible pupil count.

24 (c) For any school district with a Low Income
25 Concentration Level of at least 20% and less than 35%, the
26 grant for each school year shall be \$1,330 multiplied by

1 the low income eligible pupil count.

2 (d) For any school district with a Low Income
3 Concentration Level of at least 35% and less than 50%, the
4 grant for each school year shall be \$1,362 multiplied by
5 the low income eligible pupil count.

6 (e) For any school district with a Low Income
7 Concentration Level of at least 50% and less than 60%, the
8 grant for each school year shall be \$1,680 multiplied by
9 the low income eligible pupil count.

10 (f) For any school district with a Low Income
11 Concentration Level of 60% or more, the grant for each
12 school year shall be \$2,080 multiplied by the low income
13 eligible pupil count.

14 (2.10) Except as otherwise provided, supplemental general
15 State aid pursuant to this subsection (H) shall be provided as
16 follows for the 2003-2004 school year and each school year
17 thereafter:

18 (a) For any school district with a Low Income
19 Concentration Level of 15% or less, the grant for each
20 school year shall be \$355 multiplied by the low income
21 eligible pupil count.

22 (b) For any school district with a Low Income
23 Concentration Level greater than 15%, the grant for each
24 school year shall be \$294.25 added to the product of \$2,700
25 and the square of the Low Income Concentration Level, all
26 multiplied by the low income eligible pupil count.

1 For the 2003-2004 school year and each school year
2 thereafter through the 2008-2009 school year only, the grant
3 shall be no less than the grant for the 2002-2003 school year.
4 For the 2009-2010 school year only, the grant shall be no less
5 than the grant for the 2002-2003 school year multiplied by
6 0.66. For the 2010-2011 school year only, the grant shall be no
7 less than the grant for the 2002-2003 school year multiplied by
8 0.33. Notwithstanding the provisions of this paragraph to the
9 contrary, if for any school year supplemental general State aid
10 grants are prorated as provided in paragraph (1) of this
11 subsection (H), then the grants under this paragraph shall be
12 prorated.

13 For the 2003-2004 school year only, the grant shall be no
14 greater than the grant received during the 2002-2003 school
15 year added to the product of 0.25 multiplied by the difference
16 between the grant amount calculated under subsection (a) or (b)
17 of this paragraph (2.10), whichever is applicable, and the
18 grant received during the 2002-2003 school year. For the
19 2004-2005 school year only, the grant shall be no greater than
20 the grant received during the 2002-2003 school year added to
21 the product of 0.50 multiplied by the difference between the
22 grant amount calculated under subsection (a) or (b) of this
23 paragraph (2.10), whichever is applicable, and the grant
24 received during the 2002-2003 school year. For the 2005-2006
25 school year only, the grant shall be no greater than the grant
26 received during the 2002-2003 school year added to the product

1 of 0.75 multiplied by the difference between the grant amount
2 calculated under subsection (a) or (b) of this paragraph
3 (2.10), whichever is applicable, and the grant received during
4 the 2002-2003 school year.

5 (3) School districts with an Average Daily Attendance of
6 more than 1,000 and less than 50,000 that qualify for
7 supplemental general State aid pursuant to this subsection
8 shall submit a plan to the State Board of Education prior to
9 October 30 of each year for the use of the funds resulting from
10 this grant of supplemental general State aid for the
11 improvement of instruction in which priority is given to
12 meeting the education needs of disadvantaged children. Such
13 plan shall be submitted in accordance with rules and
14 regulations promulgated by the State Board of Education.

15 (4) School districts with an Average Daily Attendance of
16 50,000 or more that qualify for supplemental general State aid
17 pursuant to this subsection shall be required to distribute
18 from funds available pursuant to this Section, no less than
19 \$261,000,000 in accordance with the following requirements:

20 (a) The required amounts shall be distributed to the
21 attendance centers within the district in proportion to the
22 number of pupils enrolled at each attendance center who are
23 eligible to receive free or reduced-price lunches or
24 breakfasts under the federal Child Nutrition Act of 1966
25 and under the National School Lunch Act during the
26 immediately preceding school year.

1 (b) The distribution of these portions of supplemental
2 and general State aid among attendance centers according to
3 these requirements shall not be compensated for or
4 contravened by adjustments of the total of other funds
5 appropriated to any attendance centers, and the Board of
6 Education shall utilize funding from one or several sources
7 in order to fully implement this provision annually prior
8 to the opening of school.

9 (c) Each attendance center shall be provided by the
10 school district a distribution of noncategorical funds and
11 other categorical funds to which an attendance center is
12 entitled under law in order that the general State aid and
13 supplemental general State aid provided by application of
14 this subsection supplements rather than supplants the
15 noncategorical funds and other categorical funds provided
16 by the school district to the attendance centers.

17 (d) Any funds made available under this subsection that
18 by reason of the provisions of this subsection are not
19 required to be allocated and provided to attendance centers
20 may be used and appropriated by the board of the district
21 for any lawful school purpose.

22 (e) Funds received by an attendance center pursuant to
23 this subsection shall be used by the attendance center at
24 the discretion of the principal and local school council
25 for programs to improve educational opportunities at
26 qualifying schools through the following programs and

1 services: early childhood education, reduced class size or
2 improved adult to student classroom ratio, enrichment
3 programs, remedial assistance, attendance improvement, and
4 other educationally beneficial expenditures which
5 supplement the regular and basic programs as determined by
6 the State Board of Education. Funds provided shall not be
7 expended for any political or lobbying purposes as defined
8 by board rule.

9 (f) Each district subject to the provisions of this
10 subdivision (H) (4) shall submit an acceptable plan to meet
11 the educational needs of disadvantaged children, in
12 compliance with the requirements of this paragraph, to the
13 State Board of Education prior to July 15 of each year.
14 This plan shall be consistent with the decisions of local
15 school councils concerning the school expenditure plans
16 developed in accordance with part 4 of Section 34-2.3. The
17 State Board shall approve or reject the plan within 60 days
18 after its submission. If the plan is rejected, the district
19 shall give written notice of intent to modify the plan
20 within 15 days of the notification of rejection and then
21 submit a modified plan within 30 days after the date of the
22 written notice of intent to modify. Districts may amend
23 approved plans pursuant to rules promulgated by the State
24 Board of Education.

25 Upon notification by the State Board of Education that
26 the district has not submitted a plan prior to July 15 or a

1 modified plan within the time period specified herein, the
2 State aid funds affected by that plan or modified plan
3 shall be withheld by the State Board of Education until a
4 plan or modified plan is submitted.

5 If the district fails to distribute State aid to
6 attendance centers in accordance with an approved plan, the
7 plan for the following year shall allocate funds, in
8 addition to the funds otherwise required by this
9 subsection, to those attendance centers which were
10 underfunded during the previous year in amounts equal to
11 such underfunding.

12 For purposes of determining compliance with this
13 subsection in relation to the requirements of attendance
14 center funding, each district subject to the provisions of
15 this subsection shall submit as a separate document by
16 December 1 of each year a report of expenditure data for
17 the prior year in addition to any modification of its
18 current plan. If it is determined that there has been a
19 failure to comply with the expenditure provisions of this
20 subsection regarding contravention or supplanting, the
21 State Superintendent of Education shall, within 60 days of
22 receipt of the report, notify the district and any affected
23 local school council. The district shall within 45 days of
24 receipt of that notification inform the State
25 Superintendent of Education of the remedial or corrective
26 action to be taken, whether by amendment of the current

1 plan, if feasible, or by adjustment in the plan for the
2 following year. Failure to provide the expenditure report
3 or the notification of remedial or corrective action in a
4 timely manner shall result in a withholding of the affected
5 funds.

6 The State Board of Education shall promulgate rules and
7 regulations to implement the provisions of this
8 subsection. No funds shall be released under this
9 subdivision (H) (4) to any district that has not submitted a
10 plan that has been approved by the State Board of
11 Education.

12 (I) (Blank).

13 (J) Supplementary Grants in Aid.

14 (1) Notwithstanding any other provisions of this Section,
15 the amount of the aggregate general State aid in combination
16 with supplemental general State aid under this Section for
17 which each school district is eligible shall be no less than
18 the amount of the aggregate general State aid entitlement that
19 was received by the district under Section 18-8 (exclusive of
20 amounts received under subsections 5(p) and 5(p-5) of that
21 Section) for the 1997-98 school year, pursuant to the
22 provisions of that Section as it was then in effect. If a
23 school district qualifies to receive a supplementary payment
24 made under this subsection (J), the amount of the aggregate

1 general State aid in combination with supplemental general
2 State aid under this Section which that district is eligible to
3 receive for each school year shall be no less than the amount
4 of the aggregate general State aid entitlement that was
5 received by the district under Section 18-8 (exclusive of
6 amounts received under subsections 5(p) and 5(p-5) of that
7 Section) for the 1997-1998 school year, pursuant to the
8 provisions of that Section as it was then in effect.

9 (2) If, as provided in paragraph (1) of this subsection
10 (J), a school district is to receive aggregate general State
11 aid in combination with supplemental general State aid under
12 this Section for the 1998-99 school year and any subsequent
13 school year that in any such school year is less than the
14 amount of the aggregate general State aid entitlement that the
15 district received for the 1997-98 school year, the school
16 district shall also receive, from a separate appropriation made
17 for purposes of this subsection (J), a supplementary payment
18 that is equal to the amount of the difference in the aggregate
19 State aid figures as described in paragraph (1).

20 (3) (Blank).

21 (K) Grants to Laboratory and Alternative Schools.

22 In calculating the amount to be paid to the governing board
23 of a public university that operates a laboratory school under
24 this Section or to any alternative school that is operated by a
25 regional superintendent of schools, the State Board of

1 Education shall require by rule such reporting requirements as
2 it deems necessary.

3 As used in this Section, "laboratory school" means a public
4 school which is created and operated by a public university and
5 approved by the State Board of Education. The governing board
6 of a public university which receives funds from the State
7 Board under this subsection (K) may not increase the number of
8 students enrolled in its laboratory school from a single
9 district, if that district is already sending 50 or more
10 students, except under a mutual agreement between the school
11 board of a student's district of residence and the university
12 which operates the laboratory school. A laboratory school may
13 not have more than 1,000 students, excluding students with
14 disabilities in a special education program.

15 As used in this Section, "alternative school" means a
16 public school which is created and operated by a Regional
17 Superintendent of Schools and approved by the State Board of
18 Education. Such alternative schools may offer courses of
19 instruction for which credit is given in regular school
20 programs, courses to prepare students for the high school
21 equivalency testing program or vocational and occupational
22 training. A regional superintendent of schools may contract
23 with a school district or a public community college district
24 to operate an alternative school. An alternative school serving
25 more than one educational service region may be established by
26 the regional superintendents of schools of the affected

1 educational service regions. An alternative school serving
2 more than one educational service region may be operated under
3 such terms as the regional superintendents of schools of those
4 educational service regions may agree.

5 Each laboratory and alternative school shall file, on forms
6 provided by the State Superintendent of Education, an annual
7 State aid claim which states the Average Daily Attendance of
8 the school's students by month. The best 3 months' Average
9 Daily Attendance shall be computed for each school. The general
10 State aid entitlement shall be computed by multiplying the
11 applicable Average Daily Attendance by the Foundation Level as
12 determined under this Section.

13 (L) Payments, Additional Grants in Aid and Other Requirements.

14 (1) For a school district operating under the financial
15 supervision of an Authority created under Article 34A, the
16 general State aid otherwise payable to that district under this
17 Section, but not the supplemental general State aid, shall be
18 reduced by an amount equal to the budget for the operations of
19 the Authority as certified by the Authority to the State Board
20 of Education, and an amount equal to such reduction shall be
21 paid to the Authority created for such district for its
22 operating expenses in the manner provided in Section 18-11. The
23 remainder of general State school aid for any such district
24 shall be paid in accordance with Article 34A when that Article
25 provides for a disposition other than that provided by this

1 Article.

2 (2) (Blank).

3 (3) Summer school. Summer school payments shall be made as
4 provided in Section 18-4.3.

5 (M) Education Funding Advisory Board.

6 The Education Funding Advisory Board, hereinafter in this
7 subsection (M) referred to as the "Board", is hereby created.
8 The Board shall consist of 5 members who are appointed by the
9 Governor, by and with the advice and consent of the Senate. The
10 members appointed shall include representatives of education,
11 business, and the general public. One of the members so
12 appointed shall be designated by the Governor at the time the
13 appointment is made as the chairperson of the Board. The
14 initial members of the Board may be appointed any time after
15 the effective date of this amendatory Act of 1997. The regular
16 term of each member of the Board shall be for 4 years from the
17 third Monday of January of the year in which the term of the
18 member's appointment is to commence, except that of the 5
19 initial members appointed to serve on the Board, the member who
20 is appointed as the chairperson shall serve for a term that
21 commences on the date of his or her appointment and expires on
22 the third Monday of January, 2002, and the remaining 4 members,
23 by lots drawn at the first meeting of the Board that is held
24 after all 5 members are appointed, shall determine 2 of their
25 number to serve for terms that commence on the date of their

1 respective appointments and expire on the third Monday of
2 January, 2001, and 2 of their number to serve for terms that
3 commence on the date of their respective appointments and
4 expire on the third Monday of January, 2000. All members
5 appointed to serve on the Board shall serve until their
6 respective successors are appointed and confirmed. Vacancies
7 shall be filled in the same manner as original appointments. If
8 a vacancy in membership occurs at a time when the Senate is not
9 in session, the Governor shall make a temporary appointment
10 until the next meeting of the Senate, when he or she shall
11 appoint, by and with the advice and consent of the Senate, a
12 person to fill that membership for the unexpired term. If the
13 Senate is not in session when the initial appointments are
14 made, those appointments shall be made as in the case of
15 vacancies.

16 The Education Funding Advisory Board shall be deemed
17 established, and the initial members appointed by the Governor
18 to serve as members of the Board shall take office, on the date
19 that the Governor makes his or her appointment of the fifth
20 initial member of the Board, whether those initial members are
21 then serving pursuant to appointment and confirmation or
22 pursuant to temporary appointments that are made by the
23 Governor as in the case of vacancies.

24 The State Board of Education shall provide such staff
25 assistance to the Education Funding Advisory Board as is
26 reasonably required for the proper performance by the Board of

1 its responsibilities.

2 For school years after the 2000-2001 school year, the
3 Education Funding Advisory Board, in consultation with the
4 State Board of Education, shall make recommendations as
5 provided in this subsection (M) to the General Assembly for the
6 foundation level under subdivision (B)(3) of this Section and
7 for the supplemental general State aid grant level under
8 subsection (H) of this Section for districts with high
9 concentrations of children from poverty. The recommended
10 foundation level shall be determined based on a methodology
11 which incorporates the basic education expenditures of
12 low-spending schools exhibiting high academic performance. The
13 Education Funding Advisory Board shall make such
14 recommendations to the General Assembly on January 1 of odd
15 numbered years, beginning January 1, 2001.

16 (N) (Blank).

17 (O) References.

18 (1) References in other laws to the various subdivisions of
19 Section 18-8 as that Section existed before its repeal and
20 replacement by this Section 18-8.05 shall be deemed to refer to
21 the corresponding provisions of this Section 18-8.05, to the
22 extent that those references remain applicable.

23 (2) References in other laws to State Chapter 1 funds shall
24 be deemed to refer to the supplemental general State aid

1 provided under subsection (H) of this Section.

2 (P) Public Act 93-838 and Public Act 93-808 make inconsistent
3 changes to this Section. Under Section 6 of the Statute on
4 Statutes there is an irreconcilable conflict between Public Act
5 93-808 and Public Act 93-838. Public Act 93-838, being the last
6 acted upon, is controlling. The text of Public Act 93-838 is
7 the law regardless of the text of Public Act 93-808.

8 (Source: P.A. 94-69, eff. 7-1-05; 94-438, eff. 8-4-05; 94-835,
9 eff. 6-6-06; 94-1019, eff. 7-10-06; 94-1105, eff. 6-1-07;
10 95-331, eff. 8-21-07; 95-644, eff. 10-12-07; 95-707, eff.
11 1-11-08; 95-744, eff. 7-18-08; 95-903, eff. 8-25-08; revised
12 9-5-08.)

13 Section 5-52. The Illinois Public Aid Code is amended by
14 changing Sections 5-5.4, 5A-8, and 12-10.3 as follows:

15 (305 ILCS 5/5-5.4) (from Ch. 23, par. 5-5.4)

16 Sec. 5-5.4. Standards of Payment - Department of Healthcare
17 and Family Services. The Department of Healthcare and Family
18 Services shall develop standards of payment of skilled nursing
19 and intermediate care services in facilities providing such
20 services under this Article which:

21 (1) Provide for the determination of a facility's payment
22 for skilled nursing and intermediate care services on a
23 prospective basis. The amount of the payment rate for all

1 nursing facilities certified by the Department of Public Health
2 under the Nursing Home Care Act as Intermediate Care for the
3 Developmentally Disabled facilities, Long Term Care for Under
4 Age 22 facilities, Skilled Nursing facilities, or Intermediate
5 Care facilities under the medical assistance program shall be
6 prospectively established annually on the basis of historical,
7 financial, and statistical data reflecting actual costs from
8 prior years, which shall be applied to the current rate year
9 and updated for inflation, except that the capital cost element
10 for newly constructed facilities shall be based upon projected
11 budgets. The annually established payment rate shall take
12 effect on July 1 in 1984 and subsequent years. No rate increase
13 and no update for inflation shall be provided on or after July
14 1, 1994 and before July 1, 2010 ~~2009~~, unless specifically
15 provided for in this Section. The changes made by Public Act
16 93-841 extending the duration of the prohibition against a rate
17 increase or update for inflation are effective retroactive to
18 July 1, 2004.

19 For facilities licensed by the Department of Public Health
20 under the Nursing Home Care Act as Intermediate Care for the
21 Developmentally Disabled facilities or Long Term Care for Under
22 Age 22 facilities, the rates taking effect on July 1, 1998
23 shall include an increase of 3%. For facilities licensed by the
24 Department of Public Health under the Nursing Home Care Act as
25 Skilled Nursing facilities or Intermediate Care facilities,
26 the rates taking effect on July 1, 1998 shall include an

1 increase of 3% plus \$1.10 per resident-day, as defined by the
2 Department. For facilities licensed by the Department of Public
3 Health under the Nursing Home Care Act as Intermediate Care
4 Facilities for the Developmentally Disabled or Long Term Care
5 for Under Age 22 facilities, the rates taking effect on January
6 1, 2006 shall include an increase of 3%. For facilities
7 licensed by the Department of Public Health under the Nursing
8 Home Care Act as Intermediate Care Facilities for the
9 Developmentally Disabled or Long Term Care for Under Age 22
10 facilities, the rates taking effect on January 1, 2009 shall
11 include an increase sufficient to provide a \$0.50 per hour wage
12 increase for non-executive staff.

13 For facilities licensed by the Department of Public Health
14 under the Nursing Home Care Act as Intermediate Care for the
15 Developmentally Disabled facilities or Long Term Care for Under
16 Age 22 facilities, the rates taking effect on July 1, 1999
17 shall include an increase of 1.6% plus \$3.00 per resident-day,
18 as defined by the Department. For facilities licensed by the
19 Department of Public Health under the Nursing Home Care Act as
20 Skilled Nursing facilities or Intermediate Care facilities,
21 the rates taking effect on July 1, 1999 shall include an
22 increase of 1.6% and, for services provided on or after October
23 1, 1999, shall be increased by \$4.00 per resident-day, as
24 defined by the Department.

25 For facilities licensed by the Department of Public Health
26 under the Nursing Home Care Act as Intermediate Care for the

1 Developmentally Disabled facilities or Long Term Care for Under
2 Age 22 facilities, the rates taking effect on July 1, 2000
3 shall include an increase of 2.5% per resident-day, as defined
4 by the Department. For facilities licensed by the Department of
5 Public Health under the Nursing Home Care Act as Skilled
6 Nursing facilities or Intermediate Care facilities, the rates
7 taking effect on July 1, 2000 shall include an increase of 2.5%
8 per resident-day, as defined by the Department.

9 For facilities licensed by the Department of Public Health
10 under the Nursing Home Care Act as skilled nursing facilities
11 or intermediate care facilities, a new payment methodology must
12 be implemented for the nursing component of the rate effective
13 July 1, 2003. The Department of Public Aid (now Healthcare and
14 Family Services) shall develop the new payment methodology
15 using the Minimum Data Set (MDS) as the instrument to collect
16 information concerning nursing home resident condition
17 necessary to compute the rate. The Department shall develop the
18 new payment methodology to meet the unique needs of Illinois
19 nursing home residents while remaining subject to the
20 appropriations provided by the General Assembly. A transition
21 period from the payment methodology in effect on June 30, 2003
22 to the payment methodology in effect on July 1, 2003 shall be
23 provided for a period not exceeding 3 years and 184 days after
24 implementation of the new payment methodology as follows:

25 (A) For a facility that would receive a lower nursing
26 component rate per patient day under the new system than

1 the facility received effective on the date immediately
2 preceding the date that the Department implements the new
3 payment methodology, the nursing component rate per
4 patient day for the facility shall be held at the level in
5 effect on the date immediately preceding the date that the
6 Department implements the new payment methodology until a
7 higher nursing component rate of reimbursement is achieved
8 by that facility.

9 (B) For a facility that would receive a higher nursing
10 component rate per patient day under the payment
11 methodology in effect on July 1, 2003 than the facility
12 received effective on the date immediately preceding the
13 date that the Department implements the new payment
14 methodology, the nursing component rate per patient day for
15 the facility shall be adjusted.

16 (C) Notwithstanding paragraphs (A) and (B), the
17 nursing component rate per patient day for the facility
18 shall be adjusted subject to appropriations provided by the
19 General Assembly.

20 For facilities licensed by the Department of Public Health
21 under the Nursing Home Care Act as Intermediate Care for the
22 Developmentally Disabled facilities or Long Term Care for Under
23 Age 22 facilities, the rates taking effect on March 1, 2001
24 shall include a statewide increase of 7.85%, as defined by the
25 Department.

26 Notwithstanding any other provision of this Section, for

1 facilities licensed by the Department of Public Health under
2 the Nursing Home Care Act as skilled nursing facilities or
3 intermediate care facilities, the numerator of the ratio used
4 by the Department of Healthcare and Family Services to compute
5 the rate payable under this Section using the Minimum Data Set
6 (MDS) methodology shall incorporate the following annual
7 amounts as the additional funds appropriated to the Department
8 specifically to pay for rates based on the MDS nursing
9 component methodology in excess of the funding in effect on
10 December 31, 2006:

11 (i) For rates taking effect January 1, 2007,
12 \$60,000,000.

13 (ii) For rates taking effect January 1, 2008,
14 \$110,000,000.

15 (iii) For rates taking effect January 1, 2009,
16 \$194,000,000.

17 Notwithstanding any other provision of this Section, for
18 facilities licensed by the Department of Public Health under
19 the Nursing Home Care Act as skilled nursing facilities or
20 intermediate care facilities, the support component of the
21 rates taking effect on January 1, 2008 shall be computed using
22 the most recent cost reports on file with the Department of
23 Healthcare and Family Services no later than April 1, 2005,
24 updated for inflation to January 1, 2006.

25 For facilities licensed by the Department of Public Health
26 under the Nursing Home Care Act as Intermediate Care for the

1 Developmentally Disabled facilities or Long Term Care for Under
2 Age 22 facilities, the rates taking effect on April 1, 2002
3 shall include a statewide increase of 2.0%, as defined by the
4 Department. This increase terminates on July 1, 2002; beginning
5 July 1, 2002 these rates are reduced to the level of the rates
6 in effect on March 31, 2002, as defined by the Department.

7 For facilities licensed by the Department of Public Health
8 under the Nursing Home Care Act as skilled nursing facilities
9 or intermediate care facilities, the rates taking effect on
10 July 1, 2001 shall be computed using the most recent cost
11 reports on file with the Department of Public Aid no later than
12 April 1, 2000, updated for inflation to January 1, 2001. For
13 rates effective July 1, 2001 only, rates shall be the greater
14 of the rate computed for July 1, 2001 or the rate effective on
15 June 30, 2001.

16 Notwithstanding any other provision of this Section, for
17 facilities licensed by the Department of Public Health under
18 the Nursing Home Care Act as skilled nursing facilities or
19 intermediate care facilities, the Illinois Department shall
20 determine by rule the rates taking effect on July 1, 2002,
21 which shall be 5.9% less than the rates in effect on June 30,
22 2002.

23 Notwithstanding any other provision of this Section, for
24 facilities licensed by the Department of Public Health under
25 the Nursing Home Care Act as skilled nursing facilities or
26 intermediate care facilities, if the payment methodologies

1 required under Section 5A-12 and the waiver granted under 42
2 CFR 433.68 are approved by the United States Centers for
3 Medicare and Medicaid Services, the rates taking effect on July
4 1, 2004 shall be 3.0% greater than the rates in effect on June
5 30, 2004. These rates shall take effect only upon approval and
6 implementation of the payment methodologies required under
7 Section 5A-12.

8 Notwithstanding any other provisions of this Section, for
9 facilities licensed by the Department of Public Health under
10 the Nursing Home Care Act as skilled nursing facilities or
11 intermediate care facilities, the rates taking effect on
12 January 1, 2005 shall be 3% more than the rates in effect on
13 December 31, 2004.

14 Notwithstanding any other provision of this Section, for
15 facilities licensed by the Department of Public Health under
16 the Nursing Home Care Act as skilled nursing facilities or
17 intermediate care facilities, effective January 1, 2009, the
18 per diem support component of the rates effective on January 1,
19 2008, computed using the most recent cost reports on file with
20 the Department of Healthcare and Family Services no later than
21 April 1, 2005, updated for inflation to January 1, 2006, shall
22 be increased to the amount that would have been derived using
23 standard Department of Healthcare and Family Services methods,
24 procedures, and inflators.

25 Notwithstanding any other provisions of this Section, for
26 facilities licensed by the Department of Public Health under

1 the Nursing Home Care Act as intermediate care facilities that
2 are federally defined as Institutions for Mental Disease, a
3 socio-development component rate equal to 6.6% of the
4 facility's nursing component rate as of January 1, 2006 shall
5 be established and paid effective July 1, 2006. The
6 socio-development component of the rate shall be increased by a
7 factor of 2.53 on the first day of the month that begins at
8 least 45 days after January 11, 2008 (the effective date of
9 Public Act 95-707). As of August 1, 2008, the socio-development
10 component rate shall be equal to 6.6% of the facility's nursing
11 component rate as of January 1, 2006, multiplied by a factor of
12 3.53. The Illinois Department may by rule adjust these
13 socio-development component rates, but in no case may such
14 rates be diminished.

15 For facilities licensed by the Department of Public Health
16 under the Nursing Home Care Act as Intermediate Care for the
17 Developmentally Disabled facilities or as long-term care
18 facilities for residents under 22 years of age, the rates
19 taking effect on July 1, 2003 shall include a statewide
20 increase of 4%, as defined by the Department.

21 For facilities licensed by the Department of Public Health
22 under the Nursing Home Care Act as Intermediate Care for the
23 Developmentally Disabled facilities or Long Term Care for Under
24 Age 22 facilities, the rates taking effect on the first day of
25 the month that begins at least 45 days after the effective date
26 of this amendatory Act of the 95th General Assembly shall

1 include a statewide increase of 2.5%, as defined by the
2 Department.

3 Notwithstanding any other provision of this Section, for
4 facilities licensed by the Department of Public Health under
5 the Nursing Home Care Act as skilled nursing facilities or
6 intermediate care facilities, effective January 1, 2005,
7 facility rates shall be increased by the difference between (i)
8 a facility's per diem property, liability, and malpractice
9 insurance costs as reported in the cost report filed with the
10 Department of Public Aid and used to establish rates effective
11 July 1, 2001 and (ii) those same costs as reported in the
12 facility's 2002 cost report. These costs shall be passed
13 through to the facility without caps or limitations, except for
14 adjustments required under normal auditing procedures.

15 Rates established effective each July 1 shall govern
16 payment for services rendered throughout that fiscal year,
17 except that rates established on July 1, 1996 shall be
18 increased by 6.8% for services provided on or after January 1,
19 1997. Such rates will be based upon the rates calculated for
20 the year beginning July 1, 1990, and for subsequent years
21 thereafter until June 30, 2001 shall be based on the facility
22 cost reports for the facility fiscal year ending at any point
23 in time during the previous calendar year, updated to the
24 midpoint of the rate year. The cost report shall be on file
25 with the Department no later than April 1 of the current rate
26 year. Should the cost report not be on file by April 1, the

1 Department shall base the rate on the latest cost report filed
2 by each skilled care facility and intermediate care facility,
3 updated to the midpoint of the current rate year. In
4 determining rates for services rendered on and after July 1,
5 1985, fixed time shall not be computed at less than zero. The
6 Department shall not make any alterations of regulations which
7 would reduce any component of the Medicaid rate to a level
8 below what that component would have been utilizing in the rate
9 effective on July 1, 1984.

10 (2) Shall take into account the actual costs incurred by
11 facilities in providing services for recipients of skilled
12 nursing and intermediate care services under the medical
13 assistance program.

14 (3) Shall take into account the medical and psycho-social
15 characteristics and needs of the patients.

16 (4) Shall take into account the actual costs incurred by
17 facilities in meeting licensing and certification standards
18 imposed and prescribed by the State of Illinois, any of its
19 political subdivisions or municipalities and by the U.S.
20 Department of Health and Human Services pursuant to Title XIX
21 of the Social Security Act.

22 The Department of Healthcare and Family Services shall
23 develop precise standards for payments to reimburse nursing
24 facilities for any utilization of appropriate rehabilitative
25 personnel for the provision of rehabilitative services which is
26 authorized by federal regulations, including reimbursement for

1 services provided by qualified therapists or qualified
2 assistants, and which is in accordance with accepted
3 professional practices. Reimbursement also may be made for
4 utilization of other supportive personnel under appropriate
5 supervision.

6 (Source: P.A. 94-48, eff. 7-1-05; 94-85, eff. 6-28-05; 94-697,
7 eff. 11-21-05; 94-838, eff. 6-6-06; 94-964, eff. 6-28-06;
8 95-12, eff. 7-2-07; 95-331, eff. 8-21-07; 95-707, eff. 1-11-08;
9 95-744, eff. 7-18-08.)

10 (305 ILCS 5/5A-8) (from Ch. 23, par. 5A-8)

11 Sec. 5A-8. Hospital Provider Fund.

12 (a) There is created in the State Treasury the Hospital
13 Provider Fund. Interest earned by the Fund shall be credited to
14 the Fund. The Fund shall not be used to replace any moneys
15 appropriated to the Medicaid program by the General Assembly.

16 (b) The Fund is created for the purpose of receiving moneys
17 in accordance with Section 5A-6 and disbursing moneys only for
18 the following purposes, notwithstanding any other provision of
19 law:

20 (1) For making payments to hospitals as required under
21 Articles V, V-A, VI, and XIV of this Code, under the
22 Children's Health Insurance Program Act, and under the
23 Covering ALL KIDS Health Insurance Act.

24 (2) For the reimbursement of moneys collected by the
25 Illinois Department from hospitals or hospital providers

1 through error or mistake in performing the activities
2 authorized under this Article and Article V of this Code.

3 (3) For payment of administrative expenses incurred by
4 the Illinois Department or its agent in performing the
5 activities authorized by this Article.

6 (4) For payments of any amounts which are reimbursable
7 to the federal government for payments from this Fund which
8 are required to be paid by State warrant.

9 (5) For making transfers, as those transfers are
10 authorized in the proceedings authorizing debt under the
11 Short Term Borrowing Act, but transfers made under this
12 paragraph (5) shall not exceed the principal amount of debt
13 issued in anticipation of the receipt by the State of
14 moneys to be deposited into the Fund.

15 (6) For making transfers to any other fund in the State
16 treasury, but transfers made under this paragraph (6) shall
17 not exceed the amount transferred previously from that
18 other fund into the Hospital Provider Fund.

19 (7) For State fiscal years 2004 and 2005 for making
20 transfers to the Health and Human Services Medicaid Trust
21 Fund, including 20% of the moneys received from hospital
22 providers under Section 5A-4 and transferred into the
23 Hospital Provider Fund under Section 5A-6. For State fiscal
24 year 2006 for making transfers to the Health and Human
25 Services Medicaid Trust Fund of up to \$130,000,000 per year
26 of the moneys received from hospital providers under

1 Section 5A-4 and transferred into the Hospital Provider
 2 Fund under Section 5A-6. Transfers under this paragraph
 3 shall be made within 7 days after the payments have been
 4 received pursuant to the schedule of payments provided in
 5 subsection (a) of Section 5A-4.

6 (7.5) For State fiscal year 2007 for making transfers
 7 of the moneys received from hospital providers under
 8 Section 5A-4 and transferred into the Hospital Provider
 9 Fund under Section 5A-6 to the designated funds not
 10 exceeding the following amounts in that State fiscal year:

11 Health and Human Services

12 Medicaid Trust Fund	\$20,000,000
13 Long-Term Care Provider Fund	\$30,000,000
14 General Revenue Fund	\$80,000,000.

15 Transfers under this paragraph shall be made within 7
 16 days after the payments have been received pursuant to the
 17 schedule of payments provided in subsection (a) of Section
 18 5A-4.

19 (7.8) For State fiscal year 2008, for making transfers
 20 of the moneys received from hospital providers under
 21 Section 5A-4 and transferred into the Hospital Provider
 22 Fund under Section 5A-6 to the designated funds not
 23 exceeding the following amounts in that State fiscal year:

24 Health and Human Services

25 Medicaid Trust Fund	\$40,000,000
26 Long-Term Care Provider Fund	\$60,000,000

1 General Revenue Fund \$160,000,000.

2 Transfers under this paragraph shall be made within 7
3 days after the payments have been received pursuant to the
4 schedule of payments provided in subsection (a) of Section
5 5A-4.

6 (7.9) For State fiscal years 2009 through 2013, for
7 making transfers of the moneys received from hospital
8 providers under Section 5A-4 and transferred into the
9 Hospital Provider Fund under Section 5A-6 to the designated
10 funds not exceeding the following amounts in that State
11 fiscal year:

12	Health and Human Services	
13	Medicaid Trust Fund	\$20,000,000
14	Long Term Care Provider Fund	\$30,000,000
15	General Revenue Fund	\$80,000,000.

16 Except as provided under this paragraph, transfers
17 under this paragraph shall be made within 7 business days
18 after the payments have been received pursuant to the
19 schedule of payments provided in subsection (a) of Section
20 5A-4. For State fiscal year 2009, transfers to the General
21 Revenue Fund under this paragraph shall be made on or
22 before June 30, 2009, as sufficient funds become available
23 in the Hospital Provider Fund to both make the transfers
24 and continue hospital payments.

25 (8) For making refunds to hospital providers pursuant
26 to Section 5A-10.

1 Disbursements from the Fund, other than transfers
2 authorized under paragraphs (5) and (6) of this subsection,
3 shall be by warrants drawn by the State Comptroller upon
4 receipt of vouchers duly executed and certified by the Illinois
5 Department.

6 (c) The Fund shall consist of the following:

7 (1) All moneys collected or received by the Illinois
8 Department from the hospital provider assessment imposed
9 by this Article.

10 (2) All federal matching funds received by the Illinois
11 Department as a result of expenditures made by the Illinois
12 Department that are attributable to moneys deposited in the
13 Fund.

14 (3) Any interest or penalty levied in conjunction with
15 the administration of this Article.

16 (4) Moneys transferred from another fund in the State
17 treasury.

18 (5) All other moneys received for the Fund from any
19 other source, including interest earned thereon.

20 (d) (Blank).

21 (Source: P.A. 95-707, eff. 1-11-08; 95-859, eff. 8-19-08; 96-3,
22 eff. 2-27-09.)

23 (305 ILCS 5/12-10.3) (from Ch. 23, par. 12-10.3)

24 Sec. 12-10.3. Employment and Training Fund; uses.

25 (a) The Employment and Training Fund is hereby created in

1 the State Treasury for the purpose of receiving and disbursing
2 moneys in accordance with the provisions of Title IV-A of the
3 federal Social Security Act; the Food Stamp Act, Title 7 of the
4 United States Code; and related rules and regulations governing
5 the use of those moneys for the purposes of providing
6 employment and training services, supportive services, cash
7 assistance payments, short-term non-recurrent payments, and
8 other related social services.

9 (b) All federal funds received by the Illinois Department
10 as reimbursement for expenditures for employment and training
11 programs made by the Illinois Department from grants, gifts, or
12 legacies as provided in Section 12-4.18 or by an entity other
13 than the Department, and all federal funds received from the
14 Emergency Contingency Fund for State Temporary Assistance for
15 Needy Families Programs established by the American Recovery
16 and Reinvestment Act of 2009 ~~except as a result of~~
17 ~~appropriations made for the costs of providing adult education~~
18 ~~to public assistance recipients,~~ shall be deposited into the
19 Employment and Training Fund; ~~provided, however, that all~~
20 ~~funds, except those that are specified in the interagency~~
21 ~~agreement between the Illinois Community College Board and the~~
22 ~~Department, that are received by the Department as~~
23 ~~reimbursement under Title IV-A of the federal Social Security~~
24 ~~Act for expenditures that are made by the Illinois Community~~
25 ~~College Board or by any public community college of this State~~
26 ~~shall be credited to a special account that the State Treasurer~~

1 ~~shall establish and maintain within the Employment and Training~~
2 ~~Fund for the purpose and in the manner provided in Section~~
3 ~~12-5.~~

4 (c) Except as provided in subsection (d) of this Section,
5 the Employment and Training Fund shall be administered by the
6 Illinois Department, and the Illinois Department may make
7 payments from the Employment and Training Fund to clients or to
8 public and private entities on behalf of clients for employment
9 and training services, for supportive services, cash
10 assistance payments, short-term non-recurrent payments, and
11 other related social services consistent with the purposes
12 authorized under this Code. ~~or to public and private entities~~
13 ~~for employment and training services. Such payments shall not~~
14 ~~include any funds generated by Illinois community colleges as~~
15 ~~part of the Opportunities Program.~~

16 (d) (Blank). ~~On or before the 10th day of August, 1992, and~~
17 ~~on or before the 10th day of each month thereafter, the State~~
18 ~~Treasurer and State Comptroller shall automatically transfer~~
19 ~~to the TANF Opportunities Fund of the Illinois Community~~
20 ~~College Board from the special account established and~~
21 ~~maintained in the Employment and Training Fund all amounts~~
22 ~~credited to that special account as provided in Section 12-5~~
23 ~~during the preceding month as reimbursement for expenditures~~
24 ~~under Title IV-A of the federal Social Security Act made by the~~
25 ~~Illinois Community College Board or any public community~~
26 ~~college of this State.~~

1 (e) The Illinois Department shall execute a written
2 contract when purchasing employment and training services from
3 entities qualified to provide services under the programs. The
4 contract shall be filed with the Illinois Department and the
5 State Comptroller.

6 (Source: P.A. 92-111, eff. 1-1-02.)

7 Section 5-53. The Veterans' Health Insurance Program Act of
8 2008 is amended by changing Sections 3, 5, 15, 20, 30, 40, and
9 45 as follows:

10 (330 ILCS 126/3)

11 (Section scheduled to be repealed on January 1, 2012)

12 Sec. 3. Legislative intent. The General Assembly finds that
13 those who have served their country honorably in military
14 service and who are residing in this State deserve access to
15 affordable, comprehensive health insurance. Many veterans are
16 uninsured and unable to afford healthcare. This lack of
17 healthcare, including preventative care, often exacerbates
18 health conditions. The effects of lack of insurance negatively
19 impact those residents of the State who are insured because the
20 cost of paying for care to the uninsured is often shifted to
21 those who have insurance in the form of higher health insurance
22 premiums. It is, therefore, the intent of this legislation to
23 provide access to affordable health insurance for veterans and
24 their spouses residing in Illinois who are unable to afford

1 such coverage. However, the State has only a limited amount of
2 resources, and the General Assembly therefore declares that
3 while it intends to cover as many such veterans and spouses as
4 possible, the State may not be able to cover every eligible
5 person who qualifies for this Program as a matter of
6 entitlement due to limited funding.

7 (Source: P.A. 95-755, eff. 7-25-08.)

8 (330 ILCS 126/5)

9 (Section scheduled to be repealed on January 1, 2012)

10 Sec. 5. Definitions. The following words have the following
11 meanings:

12 "Department" means the Department of Healthcare and Family
13 Services, or any successor agency.

14 "Director" means the Director of Healthcare and Family
15 Services, or any successor agency.

16 "Medical assistance" means health care benefits provided
17 under Article V of the Illinois Public Aid Code.

18 "Program" means the Veterans' Health Insurance Program.

19 "Resident" means an individual who has an Illinois
20 residence, as provided in Section 5-3 of the Illinois Public
21 Aid Code.

22 "Spouse" means the person who is the person who, under the
23 laws of the State of Illinois, is married to an eligible
24 veteran at the time of application and subsequent
25 re-determinations for the Program and includes enrolled

1 spouses surviving the death of veteran spouses.

2 "Veteran" means any person who has served in a branch of
3 the United States military for greater than 180 ~~consecutive~~
4 days after initial training.

5 "Veterans' Affairs" or "VA" means the United States
6 Department of Veterans' Affairs.

7 (Source: P.A. 95-755, eff. 7-25-08.)

8 (330 ILCS 126/15)

9 (Section scheduled to be repealed on January 1, 2012)

10 Sec. 15. Eligibility.

11 (a) To be eligible for the Program, a person must:

12 (1) be a veteran who is not on active duty and who has
13 not been dishonorably discharged from service or the spouse
14 of such a veteran;

15 (2) be a resident of the State of Illinois;

16 (3) be at least 19 years of age and no older than 64
17 years of age;

18 (4) be uninsured, as defined by the Department by rule,
19 for a period of time established by the Department by rule,
20 which shall be no less than 3 ~~6~~ months;

21 (5) not be eligible for medical assistance under the
22 Illinois Public Aid Code or healthcare benefits under the
23 Children's Health Insurance Program Act or the Covering ALL
24 KIDS Health Insurance Act;

25 (6) not be eligible for medical benefits through the

1 Veterans Health Administration; and

2 (7) have a household income no greater than the sum of
3 (i) an amount equal to 25% of the federal poverty level
4 plus (ii) an amount equal to the Veterans Administration
5 means test income threshold at the initiation of the
6 Program; depending on the availability of funds, this level
7 may be increased to an amount equal to the sum of (iii) an
8 amount equal to 50% of the federal poverty level plus (iv)
9 an amount equal to the Veterans Administration means test
10 income threshold. This means test income threshold is
11 subject to alteration by the Department as set forth in
12 subsection (b) of Section 10.

13 (b) A veteran or spouse who is determined eligible for the
14 Program shall remain eligible for 12 months, provided the
15 veteran or spouse remains a resident of the State and is not
16 excluded under subsection (c) of this Section and provided the
17 Department has not limited the enrollment period as set forth
18 in subsection (b) of Section 10.

19 (c) A veteran or spouse is not eligible for coverage under
20 the Program if:

21 (1) the premium required under Section 35 of this Act
22 has not been timely paid; if the required premiums are not
23 paid, the liability of the Program shall be limited to
24 benefits incurred under the Program for the time period for
25 which premiums have been paid and for grace periods as
26 established under subsection (d); if the required monthly

1 premium is not paid, the veteran or spouse is ineligible
2 for re-enrollment for a minimum period of 3 months; or

3 (2) the veteran or spouse is a resident of a nursing
4 facility or an inmate of a public institution, as defined
5 by 42 CFR 435.1009.

6 (d) The Department shall adopt rules for the Program,
7 including, but not limited to, rules relating to eligibility,
8 re-enrollment, grace periods, notice requirements, hearing
9 procedures, cost-sharing, covered services, and provider
10 requirements.

11 (Source: P.A. 95-755, eff. 7-25-08.)

12 (330 ILCS 126/20)

13 (Section scheduled to be repealed on January 1, 2012)

14 Sec. 20. Notice of decisions to terminate eligibility.
15 Whenever the Department decides to either deny or terminate
16 eligibility under this Act, the veteran or spouse shall have a
17 right to notice and a hearing, as provided by the Department by
18 rule.

19 (Source: P.A. 95-755, eff. 7-25-08.)

20 (330 ILCS 126/30)

21 (Section scheduled to be repealed on January 1, 2012)

22 Sec. 30. Health care benefits.

23 (a) For veterans or spouses eligible and enrolled, the
24 Department shall purchase or provide health care benefits for

1 eligible veterans or spouses that are identical to the benefits
2 provided to adults under the State's approved plan under Title
3 XIX of the Social Security Act, except for nursing facility
4 services and non-emergency transportation.

5 (b) Providers shall be subject to approval by the
6 Department to provide health care under the Illinois Public Aid
7 Code and shall be reimbursed at the same rates as providers
8 reimbursed under the State's approved plan under Title XIX of
9 the Social Security Act.

10 (c) As an alternative to the benefits set forth in
11 subsection (a) of this Section, and when cost-effective, the
12 Department may offer veterans or spouses subsidies toward the
13 cost of privately sponsored health insurance, including
14 employer-sponsored health insurance.

15 (Source: P.A. 95-755, eff. 7-25-08.)

16 (330 ILCS 126/40)

17 (Section scheduled to be repealed on January 1, 2012)

18 Sec. 40. Charge upon claims and causes of action; right of
19 subrogation; recoveries. Sections 11-22, 11-22a, 11-22b, and
20 11-22c of the Illinois Public Aid Code apply to health benefits
21 provided to veterans or spouses under this Act, as provided in
22 those Sections.

23 (Source: P.A. 95-755, eff. 7-25-08.)

24 (330 ILCS 126/45)

1 (Section scheduled to be repealed on January 1, 2012)

2 Sec. 45. Reporting. The Department shall prepare an annual
3 report for submission to the General Assembly. The report shall
4 be due to the General Assembly by January 1 of each year
5 beginning in 2009. This report shall include information
6 regarding implementation of the Program, including the number
7 of veterans or spouses enrolled and any available information
8 regarding other benefits derived from the Program, including
9 screening for and acquisition of other veterans' benefits
10 through the Veterans' Service Officers and the Veterans'
11 Assistance Commissions. This report may also include
12 recommendations regarding improvements that may be made to the
13 Program and regarding the extension of the repeal date set
14 forth in Section 85 of this Act.

15 (Source: P.A. 95-755, eff. 7-25-08.)

16 Section 5-55. The Environmental Protection Act is amended
17 by changing Section 58.13 as follows:

18 (415 ILCS 5/58.13)

19 Sec. 58.13. Municipal Brownfields Redevelopment Grant
20 Program.

21 (a) (1) The Agency shall establish and administer a program
22 of grants, to be known as the Municipal Brownfields
23 Redevelopment Grant Program, to provide municipalities in
24 Illinois with financial assistance to be used for

1 coordination of activities related to brownfields
2 redevelopment, including but not limited to identification
3 of brownfields sites, including those sites within River
4 Edge Redevelopment Zones, site investigation and
5 determination of remediation objectives and related plans
6 and reports, development of remedial action plans, and
7 implementation of remedial action plans and remedial
8 action completion reports. The plans and reports shall be
9 developed in accordance with Title XVII of this Act.

10 (2) Grants shall be awarded on a competitive basis
11 subject to availability of funding. Criteria for awarding
12 grants shall include, but shall not be limited to the
13 following:

- 14 (A) problem statement and needs assessment;
- 15 (B) community-based planning and involvement;
- 16 (C) implementation planning; and
- 17 (D) long-term benefits and sustainability.

18 (3) The Agency may give weight to geographic location
19 to enhance geographic distribution of grants across this
20 State.

21 (4) Except for grants to municipalities with
22 designated River Edge Redevelopment Zones, grants shall be
23 limited to a maximum of \$240,000, and no municipality shall
24 receive more than this amount under this Section. For
25 grants to municipalities with designated River Edge
26 Redevelopment Zones and grants to municipalities awarded

1 from funds provided under the American Recovery and
2 Reinvestment Act of 2009, grants shall be limited to a
3 maximum of \$2,000,000 and no municipality shall receive
4 more than this amount under this Section. For grants to
5 municipalities awarded from funds provided under the
6 American Recovery and Reinvestment Act of 2009, grants
7 shall be limited to a maximum of \$1,000,000 and no
8 municipality shall receive more than this amount under this
9 Section.

10 (5) Grant amounts shall not exceed 70% of the project
11 amount, with the remainder to be provided by the
12 municipality as local matching funds.

13 (b) The Agency shall have the authority to enter into any
14 contracts or agreements that may be necessary to carry out its
15 duties or responsibilities under this Section. The Agency shall
16 have the authority to adopt rules setting forth procedures and
17 criteria for administering the Municipal Brownfields
18 Redevelopment Grant Program. The rules adopted by the Agency
19 may include but shall not be limited to the following:

20 (1) purposes for which grants are available;

21 (2) application periods and content of applications;

22 (3) procedures and criteria for Agency review of grant
23 applications, grant approvals and denials, and grantee
24 acceptance;

25 (4) grant payment schedules;

26 (5) grantee responsibilities for work schedules, work

1 plans, reports, and record keeping;

2 (6) evaluation of grantee performance, including but
3 not limited to auditing and access to sites and records;

4 (7) requirements applicable to contracting and
5 subcontracting by the grantee;

6 (8) penalties for noncompliance with grant
7 requirements and conditions, including stop-work orders,
8 termination of grants, and recovery of grant funds;

9 (9) indemnification of this State and the Agency by the
10 grantee; and

11 (10) manner of compliance with the Local Government
12 Professional Services Selection Act.

13 (c) Moneys in the Brownfields Redevelopment Fund may be
14 used by the Agency to take whatever preventive or corrective
15 action, including but not limited to removal or remedial
16 action, is necessary or appropriate in response to a release or
17 substantial threat of a release of:

18 (1) a hazardous substance or pesticide; or

19 (2) petroleum from an underground storage tank.

20 The State, the Director, and any State employee shall be
21 indemnified for any damages or injury arising out of or
22 resulting from any action taken pursuant to this subsection (c)
23 and subsection (d) (2) of Section 4 of this Act. The Agency has
24 the authority to enter into such contracts and agreements as
25 may be necessary, and as expeditiously as necessary, to carry
26 out preventive or corrective action pursuant to this subsection

1 (c) and subsection (d) (2) of Section 4 of this Act.

2 (Source: P.A. 94-1021, eff. 7-12-06.)

3 ARTICLE 99. SEVERABILITY; EFFECTIVE DATE

4 Section 99-95. Severability. The provisions of this Act are
5 severable under Section 1.31 of the Statute on Statutes.

6 Section 99-99. Effective date. This Act takes effect upon
7 becoming law.".